

OPERATION AND MANAGEMENT OF  
REMOTE EMPLOYEE PARKING LOTS  
AND EMPLOYEE TRANSPORTATION AT  
LOS ANGELES INTERNATIONAL AIRPORT

By and Between

THE CITY OF LOS  
ANGELES, DEPARTMENT  
OF AIRPORTS

and

ABM Aviation, Inc.

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**AGREEMENT BETWEEN THE CITY OF LOS ANGELES, DEPARTMENT OF AIRPORTS  
AND ABM AVIATION, INC.  
FOR THE  
OPERATION AND MANAGEMENT OF  
REMOTE EMPLOYEE PARKING LOTS AND EMPLOYEE TRANSPORTATION  
AT LOS ANGELES INTERNATIONAL AIRPORT (LAX)**

The OPERATION AND MANAGEMENT OF REMOTE EMPLOYEE PARKING LOTS AND EMPLOYEE TRANSPORTATION AT LOS ANGELES INTERNATIONAL AIRPORT AGREEMENT (hereinafter referred to as "Agreement") is made and entered into on \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), at Los Angeles, California, by and between THE CITY OF LOS ANGELES, a municipal corporation (hereinafter referred to as "City"), acting by order of and through its Board of Airport Commissioners ("Board"), of the Department of Airports, also known as Los Angeles World Airports (hereinafter referred to as "Department" or "LAWA" interchangeably) and **ABM Aviation, Inc.** ("Contractor"), with reference to the following:

RECITALS:

A. City is the owner and operator of the Los Angeles International Airport located in the City of Los Angeles, California (the "Airport");

B. City has issued that certain Request For Proposals For Operation and Management of Remote Employee Parking Lots and Employee Transportation, Released to the public on November 17, 2020, as supplemented by addenda (the "RFP"); and

C. Pursuant to the RFP, Contractor has been selected by City to manage and operate certain remote employee parking facilities and transportation services at the Airport, all on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing Recitals (which are incorporated herein by this reference), the payment of the consideration hereinafter provided, the covenants and conditions hereinafter contained to be kept and performed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1 TERM OF THE AGREEMENT

1.1 Term: Commencement Date. The term of this Agreement (the "Term") shall be for a period commencing on the Commencement Date (as defined below) and ending on the date which is the last day of the tenth (10<sup>th</sup>) Year (as defined below) following the Commencement Date (herein, the "Expiration Date"), unless the term of this Agreement is sooner terminated or extended in accordance with the provisions of this Agreement. For purposes of this Agreement, the term "Commencement Date" shall mean the date specified by the Chief Executive Officer (as defined below) as the Commencement Date as set forth in a written notice given by the Chief Executive Officer to Contractor, provided that the date so specified by the Chief Executive Officer as the Commencement Date in such written notice shall not occur sooner than forty-five (45) days following the date that such written notice is given by the Chief Executive Officer. For purposes of this Agreement, the term "Year" shall mean each consecutive period of twelve (12) full calendar months following the Commencement Date; provided, however, if the Commencement Date is a date other than the first day of a calendar month, the first Year shall include that fractional portion of the calendar month in which the Commencement Date occurs (the "Fractional First Month") and the first full twelve (12) calendar months thereafter. Within ten (10) days following the Chief

Executive Officer's request, Contractor shall execute a Commencement Date Memorandum in the form attached to this Agreement as **Exhibit "A"** acknowledging the calendar date of the Commencement Date of the Term and the Expiration Date, together with such other information contained in the Commencement Date Memorandum as the Chief Executive Officer may request. Contractor's failure to execute a Commencement Date Memorandum shall not affect the Commencement Date of the Term nor the performance of Contractor's obligations with respect thereto. For purposes of this Agreement, the term "Chief Executive Officer" shall mean the Chief Executive Officer of the Department of Airports of the City of Los Angeles (or the person or persons designated by the Chief Executive Officer to take a specified action on behalf of the Chief Executive Officer).

2 APPOINTMENT OF CONTRACTOR; SERVICES TO BE PROVIDED. City hereby engages Contractor, and Contractor hereby agrees, to provide as an independent contractor the parking facility and shuttle transportation management and operation services as set forth in this Agreement. Commencing on the Effective Date, Contractor shall, at Contractor's expense, take all necessary and appropriate actions (including, without limitation, making all necessary or appropriate arrangements with the incumbent parking and transportation Operator) for the effective and efficient transition of parking and transportation management and operational responsibilities to Contractor on the Commencement Date, and Contractor shall ensure that there shall be no interruption in normal parking and shuttle transportation operations in connection with such transition.

2.1 General Scope of Services. During the Term of this Agreement, Contractor shall provide the services and perform the other obligations set forth below and elsewhere in this Agreement. Contractor shall manage and operate those remote employee parking facilities associated with the Airport as described in this Agreement or otherwise designated by the Chief Executive Officer in accordance with the terms of this Agreement. Except as otherwise expressly provided in this Agreement, Contractor shall provide, at Contractor's expense, all personnel, custodial service, transportation service, equipment and supplies necessary for the performance of Contractor's obligations under this Agreement.

2.1.1 Parking Management and Operations Responsibilities

- a. Operate LAX's remote employee parking lots (herein collectively referred to as 'Employee Lots') composed of the following: Employee Lot East, Employee Lot West, Employee Lot South and ancillary remote employee parking lots (hereinafter collectively called 'Ancillary Lots') located in Lot A, Air Freight #8, Imperial Cargo Complex (ICC), Imperial Terminal (IT), and Recreational Vehicle parking lot (RV Lot).
- b. Provide complete parking management services including day-to-day operations of Employee Lots.
- c. Parking Permit Sales
- d. Revenue control and collection
- e. Data analytics and reporting
- f. Ensure lot security and employee safety

2.1.2 Access Control System (ACS)

- a. Perform required maintenance of the employee parking access control system (ACS) and conduct repairs, as necessary, including repairs for the RV Lot gate. Repairs must be completed within a two (2) hour window. For repairs that may exceed two (2) hours Contractor must receive approval from LAWA for additional time to perform repairs.
- b. Provide opportunity to upgrade existing ACS with smart parking technology solutions and to introduce smart technology in the Ancillary Lots (i.e. Lot A, Air Freight #8, ICC, IT Lot).
- c. Contractor must integrate the ACS onto LAWA's Smart Parking integration platform, which will store and structure transactional information and provide visibility in the SmartParking dashboard for employee parking revenue and sales. The schedule to be provided by Contractor shall be included in the Business and Operations Plan.

### 2.1.3 Transportation Services

- a. Provide related transportation service for employees and the public to support the following distinct shuttle routes to the Central Terminal Area (CTA): Lot East route, Lot West route, Lot South/LAX City Bus Center route.
- b. Manage and operate current LAWA CNG bus fleet ('LAX buses') until Contractor transitions to its own fleet of CNG or electric bus vehicles.
- c. Submit a Vehicle Transition Plan (subject to approval by LAWA) prior to implementation and acquisition of new Alternative Fuel Vehicle fleet (i.e. CNG or electric buses). The plan must include a phased transition to Zero Emission Airport Shuttle (ZEAS) vehicles in compliance with California Air Resources Board (CARB) regulations and LAWA goals.
- d. Provide recommendations on alternative shuttle bus routes that shall improve efficiency and costs over current routes.
- e. Address customer service issues.
- f. Provide renderings of the bus wraps and install wraps after approval from LAWA.

### 2.1.4 Bus Maintenance and Associated Services

- a. Perform required preventive bus maintenance and repair, towing, fueling, cleaning, washing, fumigation and disinfection services.
- b. Identify and provide the necessary bus maintenance and repair facility, which shall be no further than 20-mile radius from LAX.
- c. Identify the CNG fuel facility, which shall be no farther than a 5-mile radius from LAX.
- d. Identify and provide the required infrastructure and facility for electric bus maintenance, repair, and charging station, which shall be

no farther than 20-mile radius from LAX. LAWA to provide space onsite and access for installation of the EV charging infrastructure and shuttle storage/staging at no cost to the Contractor.

- e. Identify an off-site bus washing and cleaning facility that is no farther than a 10-mile radius from LAX.

#### 2.1.5 Parking Lot Cleaning and Janitorial Services

- a. Provide routine janitorial, cleaning and other auxiliary services to remote employee and ancillary parking lots.
- b. Procure, maintain and provide services to all portable restrooms in remote lots (West, East and South lot), RV lot and when necessary in other ancillary lots.

2.1.6 Notwithstanding the foregoing Sections 2.1.1 through 2.1.5, Contractor acknowledges and accepts Contractor's responsibility as required under this Agreement as defined in **Exhibit B – Business and Operations Plan (BOP)**.

2.2 Compliance With Laws. Contractor shall, at Contractor's sole cost and expense, (and shall cause Contractor's employees, contractors, sub-contractors, representatives, and agents (individually, an "Contractor Party" and collectively, the "Contractor Parties") to fully and faithfully observe and comply with: (a) all municipal, state and federal laws, statutes, codes, rules, regulations, ordinances, requirements, and orders (collectively, "Laws"), now in force or which may hereafter be in force pertaining to the management and operation of the Parking Facilities or Contractor's use of the Ancillary Facilities (including without limitation, (i) all safety, security and operations directives of City, including by the Chief Executive Officer, which now exist or may hereafter be promulgated from time to time governing conduct on and operations at the Airport, (ii) the Americans With Disabilities Act and its regulations, and (iii) any and all valid and applicable requirements of all duly-constituted public authorities (including, without limitation, the Department of Transportation, the Department of Homeland Security, the Federal Aviation Administration, and the Transportation Security Administration)); (b) all recorded covenants, conditions and restrictions affecting the Airport ("Private Restrictions") now in force or which may hereafter be in force; and (c) the rules and regulations described in Section 14.14 below. As used in this Agreement, "Laws" shall include all present and future federal, state and local statutes, ordinances and regulations and City ordinances applicable to Contractor or the management, operation or use of the Facilities by Contractor.

2.3 Independent Contractor; Contractor's Employees. Contractor represents and warrants that it's fully experienced and properly qualified to perform its obligations under this Agreement and also that it is properly licensed, equipped, organized and financed to perform its obligations under this Agreement. In performing its obligations under this Agreement, Contractor is acting as an independent contractor. This Agreement does not establish any employer-employee, joint venture or agency relationship between City and Contractor or any of Contractor's subcontractors. All employment arrangements and labor agreements with Contractor's employees, agents and subcontractor are, therefore, solely and exclusively Contractor's rights, obligations and liabilities (or its subcontractor's), and City shall have no obligations or liability with respect thereto. Contractor shall pay its employees and shall ensure that every subcontractor pays its employees all wages, salaries and other amounts due to such employees. Contractor shall be responsible for, and shall ensure that each subcontractor shall be responsible for, all reports, payment and other obligations respecting their respective employees, including without limitation those related to social security, income tax withholding, unemployment compensation, worker's compensation and employee benefit plans. Contractor hereby agrees to indemnify, defend, and hold City, the Board, Chief Executive Officer and their respective members, officers, directors,

employees, agents, advisors, attorneys, and representatives (collectively, "City Agents") harmless from and against any Claims of whatever nature that arise in connection with any such employees, employment arrangements or labor agreements relating to Contractor or its subcontractors.

2.4 Gratuities. Gratuities may not be solicited by Contractor, its subcontractors or their respective employees. Contractor is responsible for ensuring that all of Contractor's personnel refrain from such prohibited solicitation.

2.5 Penalties. The Chief Executive Officer shall have the right to assess performance penalties in the event of Contractor's nonperformance. Assessed penalties, pursuant to the Agreement, are delineated in the BOP, incorporated into the Agreement by reference. City shall have the right to deduct any such performance penalties assessed by City from the Compensation to be paid to Contractor. The assessment of such performance penalties shall be in addition to (and not in lieu of) any and all rights and remedies of City in the event of such nonperformance by Contractor. City's assessment or acceptance of such performance penalty shall not constitute a waiver nor prevent the exercise of any other rights or remedies by City for such nonperformance by Contractor. Contractor acknowledges that such performance penalties are a reasonable estimate of additional administrative and other costs that will be incurred by City as a result of such nonperformance by Contractor and are fair and reasonable under the circumstances.

2.5.1 Circumstances beyond the reasonable control of Contractor, causing Contractor to fail to comply with a stated performance requirement, may be considered by the Chief Executive Officer as a reason not to assess a performance penalty against Contractor. Contractor may dispute penalties imposed under this Section; provided however, such dispute must be substantiated in form acceptable to the Chief Executive Officer and submitted to the Chief Executive Officer within ten (10) business days of City's notification of a performance penalty assessment. The Chief Executive Officer shall review the materials submitted by Contractor in connection with the dispute and shall make a determination whether the penalty is warranted, in his or her sole and absolute discretion. Such determination of the Chief Executive Officer shall be final and binding on Contractor. The Chief Executive Officer may delay assessment of a penalty until completion of review of such dispute.

### 3 BUSINESS AND OPERATIONS PLAN (BOP)

3.1 Business and Operations Plan. Contractor shall operate and manage the Parking Facilities and Transportation services strictly in accordance with the Business and Operations Plan (the "Business and Operations Plan"), which Business and Operations Plan shall be subject to the approval of the Chief Executive Officer in all respects. As a condition precedent to the effectiveness of this Agreement for the benefit of City, Contractor shall have submitted and the Chief Executive Officer shall have approved the initial version of the Business and Operations Plan prior to the Effective Date. If the Chief Executive Officer has not approved the initial version of the Business and Operations Plan prior to the Effective Date, then this Agreement shall not become effective. Once approved by the Chief Executive Officer, the Business and Operations Plan as so approved shall be deemed a part of this Agreement and incorporated herein by reference. Thereafter, Contractor may submit proposed revisions to the Business and Operations Plan to the Chief Executive Officer, on an annual basis, no later than ninety (90) days prior to the end of each Year continuing through the end of the Term. In the event that Contractor believes exigent circumstances warrant that the Business and Operations Plan should be revised sooner than the end of a given Year, then Contractor may submit proposed revisions during such Year for the Executive Director's consideration. Any and all proposed revisions to the Business and Operations Plan shall be subject to the approval of the Chief Executive Officer and shall not become effective unless and until approved by the Chief Executive Officer. The Chief Executive Officer shall have the right to require reasonable changes to the Business and Operations Plan, from time to time and at any time, upon not less than thirty (30) days prior written notice (or such earlier period as may be specified herein). In the event of a conflict between the terms of this Agreement and the Business and Operations Plan

(including any revisions to the Business and Operations Plan), the terms of this Agreement shall control. The contents of the Business and Operations Plan shall include, but not be limited to, the following:

3.1.1 A Parking Management and Operations Plan containing the details described in the RFP covering parking lot operations and related customer service. Service hours for Contractor's personnel shall be as set forth in the Business and Operations Plan.

3.1.2 An Access Control System Maintenance Plan containing the details described in the RFP covering maintenance of existing ACS.

3.1.3 A Transportation Management and Operations Plan containing the details described in the RFP covering shuttle bus operations, bus maintenance & repairs, fueling, washing and cleaning services, and related customer service. Service hours for Contractor's personnel shall be as set forth in the Business and Operations Plan. Includes plan to transition existing LAWA bus fleet to energy efficient, zero-emission vehicles (electric buses) by 2028.

3.1.4 Such other managerial and operational plans, procedures and requirements as may be referred to elsewhere in this Agreement as being set forth in the Business and Operations Plan.

3.2 Quality of Contractor's Services. In addition to the provisions regarding the quality of Contractor's services set forth in the Business and Operations Plan, Contractor shall comply with the following provisions regarding quality of services.

3.2.1 All vehicles, machinery, appliances, underground installations and other equipment used by Contractor in its operations under this Agreement shall, at no cost to City, be maintained in good mechanical condition and appearance; and, shall have up-to-date equipment, which shall at all times, meet all requirements necessary or lawfully required for fire protection and for the enhancement of the safety of operations considering the nature of the business in which Contractor is engaged.

3.2.2 All employees of Contractor engaged in rendering the services authorized in this Agreement shall, at all times while on duty, be neatly and cleanly dressed in accordance with the duty being performed by them, and they shall wear such identification and/or device as shall meet with the approval of City.

3.2.3 Contractor shall furnish professional, prompt and efficient service so as not to reflect any discredit on City or Airport.

3.3 Customer Complaints. Contractor shall timely process and resolve customer complaints in accordance with the procedures set forth in the Business and Operations Plan.

3.4 Reports. In addition to the reports referred to in this Agreement, Contractor shall timely provide the reports referred to in the Business and Operations Plan.

#### 4 PARKING MANAGEMENT AND OPERATIONS

4.1 Description of Parking Facilities. The parking facilities for which Contractor is responsible for providing management and operational services under this Agreement are depicted on **Exhibit C – LAX Remote Employee Parking Facilities** attached to this Agreement and are comprised of "Employee Lot East", "Employee Lot West", "Employee Lot South", "Lot A", "Imperial Cargo" lot, "Imperial Terminal" lot and "Lot E" as depicted in Exhibit "C" (collectively, the "Parking Facilities"). Employee Lot East, Employee Lot West and Employee Lot South are sometimes collectively referred to herein as the "Employee Lots". Lot A, Imperial Cargo lot and

Imperial Terminal lot are sometimes collectively referred to herein as the "Cargo Lots".

4.2 Additions, Deletions or Changes to Parking Facilities. At all times during the Term of this Agreement, the Chief Executive Officer shall have the right on behalf of City (but not the obligation) to make additions, deletions, modifications or changes (including, without limitation, closures, reconstructions, re-configurations or changes in use designations (such as from employee parking areas to public parking areas) to the Parking Facilities, whether temporary or permanent, as may be deemed necessary or appropriate (in the Chief Executive Officer's sole and absolute discretion) in connection with the operation of the Airport. Such right may be exercised by the Chief Executive Officer at any time (and from time to time) during the term of this Agreement by giving to Contractor sixty (60) days' prior written notice of such addition, deletion, modification or change to the Parking Facilities; provided, however, in the event of emergency circumstances, no such prior notice by the Chief Executive Officer shall be required. In the event that the Chief Executive Officer so makes any such addition, deletion, modification or change to the Parking Facilities, then the term Parking Facilities as used in this Agreement shall be deemed to be so modified. Contractor agrees to manage and operate the Parking Facilities as so modified in accordance with the terms and provisions of this Agreement.

4.2.1 Changes to Parking Facilities or Shuttle Services. In the event that the Chief Executive Officer makes changes to the shuttle services or the Parking Facilities contemplated by this Agreement that has or may have a material adverse economic impact on Contractor under the financial terms of this Agreement, then the Contractor may be entitled to an equitable adjustment to the financial terms of this Agreement (it being understood, however, that such amendment to the financial terms of this Agreement shall require the approval of the Board acting in the Board's sole and absolute discretion). As a condition to the Chief Executive Officer's consideration of such an amendment, Contractor shall have demonstrated to the satisfaction of the Chief Executive Officer that such addition to the shuttle routes or Parking Facilities has or would result in a material adverse economic impact on Contractor under the financial terms of this Agreement and that the proposed adjustment to the financial terms of this Agreement is equitable.

4.2.2 Use of Ancillary Facilities. In order to facilitate the provision of the services by Contractor pursuant to this Agreement, City may make available for Contractor's use certain other areas as set forth below within the Airport on the terms and conditions set forth in this Agreement and such other terms as the Chief Executive Officer may impose from time to time (such facilities are collectively referred to herein as the "Ancillary Facilities"). The Chief Executive Officer shall have the right to make additions, deletions, modifications, changes or relocations to the Ancillary Facilities at any time, upon prior written notice to Contractor. The Parking Facilities and the Ancillary Facilities are collectively referred to in this Agreement as the "Facilities".

4.3 Use of Office Space. Contractor may use at no charge, on a non-exclusive basis, approximately four hundred (400) square feet of unfurnished office space within Lot C at the Bus Depot depicted on Exhibit "C". City will provide routine maintenance with respect to such space. Contractor shall not make any alterations to such space.

4.4 Parking For Contractor's Personnel. During the Term, City will provide to Contractor, at no charge parking permits providing Contractor's employees assigned to the Employee Lots operation access to park in the Employee Lots.

4.5 Rights Regarding Parking and Ancillary Facilities. Notwithstanding any other provision of this Agreement, Contractor acknowledges and agrees that the rights granted to Contractor with respect to the Parking Facilities and the Ancillary Facilities are limited to that of a revocable nonexclusive right of entry for the purpose of performing Contractor's obligations under this Agreement, which right of entry may be terminated by the Chief Executive Officer in accordance with the terms of this Agreement. Contractor shall not use the Facilities for any use

other than as expressly authorized in this Agreement or otherwise expressly authorized by the Chief Executive Officer in writing. Nothing in this Agreement shall be construed as granting to Contractor a possessory interest in the Facilities. Contractor acknowledges that City may enter the Facilities at any time and for any purpose.

4.6 ACS Maintenance. Contractor, at Contractor's cost and expense, shall maintain the ACS in first-class working order condition and state of repair (including, without limitation, the repair or replacement of any damaged or destroyed elements and the maintenance of licensed software including updates thereto) as more particularly described in the Business and Operations Plan.

4.7 Infrastructure Improvements. Contractor shall not make any Infrastructure Improvements, without the prior written approval of the Chief Executive Officer expressly acknowledging that such work is classified as an Infrastructure Improvement within the meaning of this Agreement. The Infrastructure Improvements, if any, to be constructed by Contractor shall be designed and constructed in compliance with the provisions of Section 6 of this Agreement. Upon the completion of the Infrastructure Improvements by Contractor and acceptance thereof by the Chief Executive Officer, City shall acquire the Infrastructure Improvements. City shall pay the Infrastructure Improvement Acquisition Cost for such Infrastructure Improvements as provided below, and such Infrastructure Improvements shall upon such payment become the exclusive property of City. The Chief Executive Officer shall have the right to elect to have City construct any or all of the Infrastructure Improvements, in lieu of requiring Contractor to construct the Infrastructure Improvements.

4.7.1 Examples of Infrastructure Improvements. Examples of infrastructure improvements that may, with the approval of the Chief Executive Officer, qualify as Infrastructure Improvements, include, without limitation, the following: substructure survey work, wi-fi equipment, communication cabling (e.g., fiber optic, T-1 or other cabling), underground conduit system and associated trenching, functional upgrades (such as lane extensions and modifications), electrical conduits and receptacles for bringing electrical power from its source to the point of connection with the ACS equipment, electrical panel upgrades (if required), electrical generators for uninterrupted power supply (if required), switches, routers, transceivers, water piping (but not sewer) to the point of connection to the Modular Office, and remediation of pre-existing hazardous materials discovered in connection with the performance of Infrastructure Improvements.

Modular Office Contractor shall be responsible for the maintenance and repair of the Modular Office (including, without limitation, the repair or replacement of any damage as the result of theft, vandalism or other casualty). Contractor shall be responsible for the removal of the Modular Office upon the expiration or earlier termination of this Agreement, unless otherwise directed in writing by the Chief Executive Officer. The Modular Office shall be staged in the southwest portion of Employee Lot East at the location depicted in Exhibit "B", unless otherwise directed in writing by the Chief Executive Officer.

4.8 Installation of Portable Restroom Facilities. On or before the Commencement Date, Contractor shall install portable restrooms facilities in the Employee Lots (the "Portable Restrooms"). The type, number and location of such Portable Restrooms shall be as set forth in the Business and Operations Plan. The Portable Restrooms shall be accessible to disabled persons in compliance with the Americans With Disability Act and its regulations and other applicable Laws. Contractor shall be responsible for the regular cleaning, maintenance and repair of the Portable Restrooms (including, without limitation, the repair or replacement of any damage as the result of theft, vandalism or other casualty). Contractor shall be responsible for the removal of the Portable Restrooms upon the expiration or earlier termination of this Agreement, unless otherwise directed in writing by the Chief Executive Officer.

4.9 Maintenance of Parking Facilities. City shall have the right at any time during the

Term, upon not less than **sixty (60)** days' prior written notice from the Chief Executive Officer to Contractor, to require Contractor to assume the responsibility for providing all custodial and cleaning services to all or any portion of the Employee Lots. In the event that City so elects, Contractor shall, in consideration for the compensation set forth in Section 3.2.3 below, provide all custodial and cleaning services for such Employee Lots and shall keep such Employee Lots in a first class clean, attractive and safe condition (including, without limitation, the provision of all trash and waste receptacles and all trash and waste removal services) as more particularly provided in the Business and Operations Plan. In the event of such election by City, City shall not provide any trash or waste receptacles or trash or waste removal services.

4.10 Revenue Control: Collection of Gross Revenue. Contractor shall be fully and solely responsible for the collection, safekeeping and deposit of all Gross Revenue (as defined below) collected from patrons and users of the Parking Facilities. Contractor shall charge and collect from all persons utilizing the Parking Facilities the applicable fees and charges established by City (from time to time) for such use. All Gross Revenue received by Contractor from the operation of the Parking Facilities at the Airport is and shall become, immediately upon the collection and receipt thereof, the property of City. The term "Gross Revenue" means all charges, fees and other revenues collected or received by Contractor (or its subcontractors) of every kind and character (including, without limitation, payment by cash, check, credit or debit card) involving payment in exchange for the use of parking space or for any other service provided at or in connection with the Parking Facilities. Contractor shall timely provide to City the reports regarding Gross Revenue as described in the Business and Operations Plan or elsewhere in this Agreement. All such reports relating to the collection of Gross Revenue shall be accurate and complete in all respects. The Chief Executive Officer shall have the right to change or modify such reporting requirements from time to time in the Chief Executive Officer's sole and absolute discretion.

4.11 Deposit of Gross Revenues. Contractor shall deposit the Gross Revenues the next business day excluding holidays in a bank selected by the Chief Executive Officer. The arrangements for said daily deposit, including the use of armored transport (all at Contractor's expense) shall be subject to the satisfaction of the Chief Executive Officer. Said deposits shall be to the credit of the Treasurer of the City of Los Angeles. In the event that the approved deposit arrangements includes service charges by the bank to Contractor, City shall reimburse Contractor for such expenses on a monthly basis; provided, however, that City shall not be obligated to reimburse Contractor for any service charges that are imposed by the bank as a result of Contractor's failure to follow approved deposit or bank service arrangements. Contractor covenants and promises to be responsible for ensuring that all Gross Revenues are properly and fully deposited at City's bank and properly credited to City's account. Contractor shall maintain at all times a verification procedure which will reflect that City's accounts have been credited each business day excluding holidays with the proper amounts of Gross Revenues. Such system shall include a daily comparison of initial deposit slips with verified deposit slips returned from the bank.

4.12 Employee Permit Pass Reconciliation. In addition to the reconciliation processes described in the Business and Operations Plan, sales of employee parking passes made in-person or through other means, if applicable (internet web-site, electronically, etc.), must be reconciled Monday – Friday excluding holidays and revenue must be deposited daily into City's designated bank account. All pass sales must be accounted for in numerical order by sequence number. Passes sold for that day must include starting sequence number, ending sequence number, revenue collected, type of payment, and type of pass sold (internet, hangtag, etc.) by lot and must be provided in a daily report to be submitted to City. Monthly reports submission to City must show active/valid number of passes for the previous month, number of sales by lot, type of sales, any adjustments, and revenue collected. Back-up documents or source reports may be required to ensure accountability.

4.13 Contractor is Responsible for Undercharges. Contractor shall assume all

responsibility for losses of revenue to City as a result of charging parking patrons less than the amount due under the prevailing rate structure. City shall have the right to prepare and submit to Contractor on a monthly basis a listing of such undercharge transactions. The entire amount of any such undercharge shall be deducted from the compensation otherwise payable to Contractor.

4.14 Checks. Contractor shall not be responsible for losses of revenue as a result of check acceptance by adhering to the following:

- (1) No personal checks shall be accepted under any circumstances.
- (2) Company checks shall be accepted only for the payment of parking fees or for the payment of parking permits (hang tags, proxy card or comparable media).
- (3) All checks must be payable to: Los Angeles World Airports.

Contractor's failure to adhere to the foregoing requirements may result in Contractor being held responsible for the loss of Gross Revenue as the result of uncollectable payments by check.

4.15 Merchant of Record. Contractor shall be the Merchant of Record and is authorized to accept the use of Visa, Master Card, Discover and American Express credit cards and Explore, Interlink and Star debit cards for payment of employee parking permits. Additional credit and/or debit cards may be authorized by the Chief Executive Officer. Contractor shall pay directly the fees charged by its credit card merchant processor, and any other costs associated with credit card processing. Contractor shall bear the full responsibility for Payment Card Industry security standards and Personal Identifiable Information.

4.16 Changes to Procedures; Failure to Follow Procedures. Contractor shall be responsible for the implementation of any additional procedures pertaining to the collection of parking fees. Contractor shall be responsible for any losses as a result of its failure to follow established procedures as determined by the Chief Executive Officer. The Chief Executive Officer may impose reasonable penalties as set forth in the Business Operation Plan for Contractor's infractions that result in loss of revenue, or result in additional City staff hours for research and verification to respond to a customer's complaint or result in undermining the integrity of the ACS or parking operations.

4.17 Other Activities Prohibited. Contractor shall not engage in, nor permit any of its subcontractors, employees or agents to be engaged in, the business of selling supplies or products of any kind at the Parking Facilities or at the Airport or the business of performing any service at the Parking Facilities or the Airport that is not expressly authorized by this Agreement, without the prior consent of the Chief Executive Officer in writing. Contractor shall not install, maintain, operate nor permit the installation, maintenance or operation on the Parking Facilities of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind whether or not included in the foregoing categories, without the prior consent of the Chief Executive Officer in writing.

4.18 Employee Automobile Parking Rates. Contractor shall ensure that the current rates for employee automobile parking shall, at all times, be posted at each customer service area where permits are purchased and the web portal for permit purchases. Automobile parking rates currently in effect are those fixed by Board for employee parking, but may be amended by the Board in its discretion at any time. Contractor shall not set rates. Contractor's function is to manage the operation of the Parking Facilities and as part of its duties to collect parking rates on behalf of City for such portions of the Parking Facilities as are designated in this Agreement. If rates are changed by City, Contractor shall change all posted rates at each customer service area where permits are purchased and the web portal for permit purchases at Contractor's expense.

4.19 Utilities. City will pay for the electrical and water utilities serving the Parking Facilities and/or the Ancillary Facilities; provided, however, in the event that the Chief Executive Officer reasonably determines that Contractor's usage of such utilities is unreasonable, excessive or wasteful, City shall have the right to back-charge Contractor for such unreasonable, excessive or wasteful use. Contractor, at Contractor's expense, is responsible for all other utilities and/or telecommunications services necessary in connection with the performance of Contractor duties under this Agreement. Notwithstanding any other provision of this Agreement, City shall not be liable or responsible for any unavailability, failure, stoppage, interruption or shortage of any utilities or other services, regardless of the reason or cause of such unavailability or interruption or by whom caused.

## 5 TRANSPORTATION SERVICES MANAGEMENT AND OPERATIONS

5.1 Shuttle Transportation Services. Contractor shall provide the highest level of professional, safe and efficient shuttle transportation services to the users of the Employee Lots as more particularly described in this Agreement and the Business and Operations Plan. The hours of operation, service levels, service hours, and routes are set forth in the Business and Operations Plan and shall be subject to adjustment by the Chief Executive Officer (in the Chief Executive Officer's sole and absolute discretion) from time to time and at any time, upon thirty (30) days' prior written notice to Contractor, except in the case of extraordinary circumstances in which case such adjustment, if requested by the Chief Executive Officer, shall be made as soon as reasonably practicable following such notice (but no later than such 30-day period).

5.1.1 Bus Staging and Turnover Inspection Area . The bus staging and turnover area is depicted on Exhibit "C" and may be used on a non-exclusive basis.

5.2 Additional Transportation Services. Subject to its rights pursuant to Section 4.2.1, Contractor specifically acknowledges that the Chief Executive Officer has the right (in the Chief Executive Officer's sole and absolute discretion) to require Contractor to undertake additional transportation services. Contractor acknowledges that the shuttle transportation services shall be operated free of charge to all employee users, except as may be otherwise directed in writing by the Chief Executive Officer. The term "Central Terminal Area" means the central terminal area complex at the Airport generally consisting of passenger terminals connected by a U-shaped two-level roadway.

5.3 Provision of Transportation Vehicles and Maintenance Facility. Contractor shall furnish and replace, at the Contractor's discretion, the vehicles used for the shuttle vehicle transportation services contemplated by this Agreement in accordance with the Business and Operations Plan. Contractor is responsible for fleet management, maintenance, repair, cleaning and fueling all vehicles it provides for use in the shuttle transportation services, contemplated by this Agreement in accordance with the Business and Operations Plan. LAWA will provide space for shuttle parking and staging and electric vehicle charging space located in one of the employee parking lots (to be determined and identified in the BOP) at no cost to the contractor. All shuttle vehicles provided by the Contractor must:

- a. comply with the Americans with Disabilities Act ("ADA"), including but not limited to 49 Code of Federal Regulations ("CFR") Part 37 as applicable to public entities, and all other applicable laws, rules and regulations;
- b. be alternative fuel vehicles that are powered by compressed natural gas ("CNG") and/or electric vehicle;
- c. be equipped with next bus arrival time technology and Global Positioning System ("GPS") tracking for enhanced headway management;

- d. contain automatic passenger counting equipment;
- e. be equipped with a public address system and a heating and air conditioning system sufficient to maintain an interior temperature of not more than 72°F with a 92°F outside ambient temperature;
- f. have a "No Smoking" sign posted and positioned so that it faces the passenger section of the vehicle;
- g. be in accordance with the signage, color and trade dress specifications provided by the Chief Executive Officer; and,
- h. meet all other requirements set forth in this Agreement, and the Business and Operations Plan.

5.4 Tracking System and Equipment. Contractor shall install necessary systems and equipment on all of its shuttle vehicles which would enable passengers to obtain real -time arrival times (i.e. via a smart phone application).

5.5 Bus Maintenance Facility. Contractor shall provide a bus maintenance facility with a maintenance area of adequate size and proper equipment for repairing, maintaining, washing, cleaning and storing all vehicles and equipment used by Contractor in connection with the performance of Contractor's obligations under this Agreement (except for the City Transportation Vehicles and associated equipment provided by the City, if any). Contractor's maintenance facility shall include all necessary equipment to service its vehicles and equipment, and must comply with all federal, state and local requirements and industry standards applicable to such maintenance facilities. Contractor, at its sole cost and expense, may use a third - party maintenance provider to comply with the terms of this Section. City reserves the right to inspect Contractor's maintenance facility, upon one (1) business days' notice, for compliance with industry standards in areas to include tools, diagnostic equipment, mechanic competency and fleet management practices and records. Said facility must be located within a 20-mile radius of the Airport in order for Contractor to promptly respond to breakdowns, passenger overloads and other problems.

5.5.1 No maintenance of the vehicles and equipment provided by Contractor shall be conducted at the Parking Facilities or elsewhere at the Airport, unless expressly approved in writing by the Chief Executive Officer.

5.6 Vehicle Registration. Contractor is responsible for registering its vehicles with the Department of Motor Vehicles ( "DMV " ), and complying with applicable requirements relating to California Highway Patrol ( "CHP " ) vehicle and terminal inspections. Contractor shall provide copies of all CHP terminal and vehicle inspection reports to the Chief Executive Officer within three (3) business days of receipt. Contractor shall immediately notify LAWA staff when a CHP inspection is scheduled. Unscheduled CHP inspections shall be immediately reported to the Chief Executive Officer.

5.7 Temporary Use of City -owned Vehicles. Contractor may use up to thirty-one (31) City -owned Vehicles ("City Transportation Vehicles ") described in **Exhibit D – City Transportation Vehicles**, which is available to the Contractor during an initial period of nine (9) months (the “initial period”) starting on the Commencement Date, to perform the shuttle vehicle transportation services contemplated by this Agreement. City will charge the Contractor for the use of the City Transportation Vehicles during the initial term in the amount of One Dollar (\$1) per vehicle, per month. City is responsible for registering the City Transportation Vehicles with the Department of Motor Vehicles ("DMV"). City's Maintenance Provider is responsible for maintaining, repairing, fueling and cleaning the City Transportation Vehicles during the first month of the initial period only.

5.8 Support Vehicles. Contractor shall be solely responsible for providing a minimum of

3 company support vehicles (including, but not limited to, customer assistance vehicles and vehicles that are not used for carrying transit passengers) needed by Contractor to perform Contractor's duties under this Agreement.

5.9 Daily Inspection of Shuttle Vehicles. Contractor must inspect the physical and mechanical condition of each of the vehicles used in the Remote Employee parking shuttle service on a daily basis (i.e. pre-trip and post-trip), log conditions, identify any issues with maintenance, fueling, cleaning or otherwise, and remove debris throughout the course of each driver's shift.

5.10 City Inspection of Contractor's Vehicles. City, upon one (1) business days' notice, may inspect Contractor's shuttle vehicles and equipment, using its own personnel, to ensure compliance with all maintenance, repair and cleaning requirements specified in this Agreement or the Business and Operations Plan and/or to determine if there is any defect that would present a hazard to public health or safety. Chief Executive Officer may require Contractor to immediately remove and replace shuttle vehicles with defects such as, but are not limited to:

- a. Inoperable or malfunctioning air conditioning system;
- b. Broken or inoperable luggage compartment door;
- c. Defective communication equipment;
- d. Inoperable wheelchair lift;
- e. Inoperable emergency exits;
- f. Inoperable head/brake lights, horns, or signals;
- g. Cracked or broken windows;
- h. Defective brakes;
- i. Damaged bumpers (any major damage to exterior including but not limited to a large gash, cracks, dents, wear and tear excepted);
- j. Broken overhead luggage compartments;
- k. Damaged upholstery, including but not limited to tears, rips, stains, large punctures of six inches in length or more, wear and tear excepted;
- l. Cabin leakage;
- m. External/Internal graffiti; or
- n. Worn and/or defective tires with 2/32 inch of remaining tread depth or less.

5.11 Verification of Passenger Eligibility. From time to time, the Chief Executive Officer may require Contractor to verify that passengers using the transportation services meet City's eligibility requirements for using such services at no cost to the operator.

5.12 City's Right to Acquire Vehicles at Term Expiration. City reserves the right, at its discretion, to acquire from the Contractor all buses/vehicles once City pays for transfer of ownership fees at the expiration of this Agreement. Contractor shall ensure City may take possession of the buses.

## 6 COMPENSATION

6.1 Payments to the Contractor will be made for qualified expenses under the following categories: Contractor shall submit all back up documents with monthly invoice to substantiate all expenses as described below. City shall remit payment to Contractor within 30 days of receipt of its monthly invoice.

6.1.1 Labor Cost (On-Site) – The Labor Cost will be determined based upon a formula consisting of a ‘blended’ hourly rate multiplied by the number of monthly service hours applicable to each rate category for qualified positions identified below (Labor Cost = Hourly Rate x Service Hrs.):

a. Management and Administrative Staff – The Management and Administrative Hourly Rate is billable to LAWA based upon the actual number of service hours performed. It must exclude all costs, except the following: salaries, health insurance, worker’s compensation insurance, payroll taxes, payroll processing fees, uniforms, and any other salary expenses associated with the positions in this category.

b. Transportation Staff - Transportation Field Staff Hourly Rate is billable to LAWA based upon transportation field staff actual number of service hours performed. It must exclude all costs, except the following: transportation field staff’s salaries, health insurance, worker’s compensation insurance, payroll taxes, payroll processing fees, uniforms, and any other salary expenses.

c. Parking Staff - Parking Field Staff Hourly Rate applies to all qualified parking field staff positions for all employee lots and billable to LAWA based upon the actual number of service hours performed. It must exclude all costs, except the following: parking field staff’s salaries, health insurance, worker’s compensation insurance, payroll taxes, payroll processing fees, uniforms, and any other salary expenses.

d. Cleaning Staff (parking lots) - Cleaning Staff Hourly Rate applies to all cleaning staff for all lots and billable to LAWA based upon the actual number of service hours performed. It must exclude all costs, except the following: cleaning staff’s salaries, health insurance, worker’s compensation insurance, payroll taxes, payroll processing fees, uniforms, and any other salary expenses.

e. Bus Fuelers and Cleaners - Fueling and Cleaning Hourly Rate is billable to LAWA based upon the actual number of service hours performed by fueling and cleaning personnel. It must exclude all costs, except the following: fueling and washing personnel’s salaries, health insurance, worker’s compensation insurance, payroll taxes, payroll processing fees, uniforms, and any other salary expenses. Fueling and cleaning (including washing of buses) service hours are the hours when a vehicle is removed from its regular service route, and there is no expectation of carrying passengers, for purposes of fueling and/or washing the vehicle, per the terms of the Agreement. Cleaners will also perform fumigation service daily or until further notified (frequency may be changed depending on COVID-19 situation), and billable to LAWA based on the service hours the fumigation is applied.

f. Security Guards - Security Guard Hourly Rate applies to all security guards for all lots and billable to LAWA based upon the actual number of service hours performed by security guards. It must exclude all costs, except the following: security guard salaries, health insurance, worker’s compensation insurance, payroll taxes, payroll processing fees, uniforms, and any other salary expenses.

g. Other Labor Costs (to be negotiated)

6.1.2 Bus Costs - Contractor may be eligible for reimbursement of qualified bus expenses, as determined by LAWA. Qualified bus expenses are classified under two categories (fixed and non-fixed) based upon payment type, as follows:

6.1.2.1 Fixed Costs (Flat Monthly Rate) – LAWA will pay Contractor a single, fixed monthly rate for the following qualified expenses under this category (this includes LAX legacy buses and new bus fleet):

- a. Bus Purchase or Lease
- b. Preventive Bus Maintenance and Repairs (Parts and Labor). Cost of repairs due to accidents where the Contractor is ‘at fault’ are not considered as qualified expense; and, therefore, not reimbursable and will be responsibility of the Contractor to repair.
- c. Bus Equipment
- d. Bus charging facility
- e. Smart Bus Technology (i.e. ride app, etc.)
- f. Bus Insurance, Other Fees & Licenses

6.1.2.2 Non-Fixed Costs (Variable Rates) – LAWA will pay Contractor as direct line item reimbursement for the actual cost of the following qualified expenses under this category:

- a. Bus Fuel - If Successful Proposer chooses to use LAWA buses, reimbursement for the actual cost of fuel will start a month after commencement of operations. If Successful Proposer chooses to use their own buses on day one of agreement, then actual cost of fuel is covered upon commencement of the agreement.
- b. Bus Cleaning and Washing Services – If Successful Proposer chooses to use LAWA buses, reimbursement for the actual cost of cleaning and washing services will start a month after commencement of operations. If Successful Proposer chooses to use their own buses on day one of agreement, then actual cost of cleaning and washing services is covered upon commencement of the Agreement.
- c. Bus Towing for LAWA’s legacy buses only.

6.1.3 Smart Parking Access Control Solutions - Contractor may be eligible for reimbursement of qualified smart parking access control solutions expenses, as determined by LAWA, which may include, but is not limited to, the following items:

- a. New Cloud Servers.
- b. Public facing digital signage displaying number of available spaces in each respective employee parking lot.

- c. Automation (Procurement & Installation)
- d. Mid-term technology improvements for the employee and auxiliary lots.
- e. Other Costs

6.1.4 Finance and Credit Card Processing Fees – Contractor may be eligible for reimbursement of qualified financial expenses; including, but not limited to, credit card processing fees.

6.1.5 Contractor Fee - A single, monthly Contractor Fee that covers Proposer's profit only (no other costs will be included in this category).

6.1.6 Facility Operations & Maintenance – Contractor will be reimbursed for qualified facility operations and maintenance expenses such as, but not limited to:

- a. Business License Fee
- b. Insurance(s) Fees
- c. Striping
- d. Additional Signage
- e. Service Vehicle(s)
- f. Dispatcher Equipment
- g. RV Gate Maintenance
- h. Repairs (non-routine, emergency)

6.1.7 Third-Party Integration – Contractor will be reimbursed for qualified expenses associated with required third-party integration such as, but not limited to:

- a. LAWA RAMS (Amadeus PropWorks)
- b. Website and Apps costs
- c. Armored car services
- d. Other costs

6.1.8 Modular Office - Contractor may be eligible for reimbursement of qualified expenses associated with the modular office, such as, but not limited to:

- a. Modular Office and Employee Break Room Monthly Lease
- b. Modular Office & Employee Break Room Installation (if applicable)
- c. Infrastructure (sewage, restrooms, water, etc.)
- d. Utilities

6.2 Fluctuation of Service Hours. Contractor acknowledges that the number of Parking Service Hours, Transportation Service Hours and/or Cleaning Services Hours to be performed by Contractor's personnel may be increased or decreased by the Chief Executive Officer from time to time during the Term of this Agreement. Contractor acknowledges that such fluctuations shall not form the basis for a claim by Contractor that the hourly rates should be adjusted as a result thereof, except as may be expressly otherwise provided in this Agreement. Further, Contractor shall have no right to claim additional compensation on the basis that Contractor has suffered a loss of revenue or profit as the result of any decrease in the number of service hours to be performed under this Agreement, and any increase in the number of service hours shall be compensated for solely by the payment of the applicable hourly rate, except as may be expressly otherwise provided in this Agreement.

Equitable Adjustment for Unforeseeable Change in Circumstances. In the event that due to an

unforeseeable change in circumstances relating to the operation of the Parking Facilities that are not within the control of Contractor, Contractor is required to incur materially adverse economic consequences as the result of the performance of Contractor's obligations under this Agreement, then the Chief Executive Officer will consider (in the Chief Executive Officer's sole and absolute discretion) whether to recommend to the Board an amendment to this Agreement providing for an equitable adjustment to the financial terms of this Agreement as the result of such unforeseeable change in circumstances. Contractor acknowledges that the Chief Executive Officer is not required to recommend any such amendment to the Board (or to take any other action), and that any such amendment shall require the approval of the Board acting in the Board's sole and absolute discretion. As a condition to the Chief Executive Officer's consideration of such an amendment, Contractor shall have demonstrated to the sole satisfaction of the Chief Executive Officer that (i) such change in circumstances was unforeseeable and not within the control of Contractor, (ii) such change in circumstances has or will result in unavoidable and material adverse economic consequences to Contractor, and (iii) an adjustment to the financial terms of this Agreement is equitable under the circumstances.

6.3 Chief Executive Officer's Authority Regarding Additional Services. The Chief Executive Officer shall have the right (within the Chief Executive Officer's scope of authority, or if not within the Chief Executive Officer's scope of authority, with the approval of the Board) to request that Contractor provide additional managerial or operational services relating to the Parking Facilities or transportation beyond those services that Contractor is required to perform under the terms of this Agreement. Any such request by the Chief Executive Officer shall be in writing setting forth the terms and conditions relating to such request.

7 RECORDKEEPING AND AUDIT. Contractor and its subcontractors of any tier shall keep accurate and complete books of accounts, records, journals, accounts, documents and other evidence related to Contractor's activities relating to this Agreement (collectively, the "Books and Records"), including, without limitation, those relating to Gross Revenue collected by Contractor and those relating to charges for Contractor's performance of any services or work in connection with this Agreement. Contractor shall also be required to attend meetings with City staff relating to Contractor's activities under this Agreement on an as-needed basis and to provide (in addition to the specific reports described elsewhere in this Agreement) such reports as the Chief Executive Officer may reasonably request from time to time. City's accountants or representatives may examine such Books and Records of Contractor for the purpose of conducting an audit. Such Books and Records shall be maintained by Contractor at its offices at the Airport or at such other locations as may be approved by the Chief Executive Officer. Such Books and Records shall be made available by Contractor at such offices of Contractor during normal business hours within two (2) business days after the Chief Executive Officer's request. City's right to access and audit such Books and Records shall survive five (5) years beyond the expiration or earlier termination of this Agreement. Unless otherwise authorized by the Chief Executive Officer in writing, Contractor shall retain all Books and Records and any other information necessary to perform any audit as described in this Agreement during the entire term of this Agreement and for a minimum of five (5) years thereafter. City shall initially bear its own expenses in performing such inspection or audit, and Contractor shall bear its own expenses in performing such inspection or audit; provided, however, that in the event that any inspection or audit produces evidence that Contractor has failed to accurately account for Contractor's activities under this Agreement, then Contractor shall be in default of this Agreement and shall be liable to City for damages, including all costs incurred by City in connection with such inspection or audit (in addition to any and all other remedies City may have in connection with such default). Further, if it is determined by City as a result of an audit that there has been (i) a deficiency in the payment of any amount due to City under this Agreement (a "Deficiency") or (ii) an overcharge in the payment of amount charged to City under this Agreement (an "Overcharge"), then such Deficiency or Overcharge shall immediately become due and payable by Contractor to City upon demand by City. Contractor shall cause any and all subcontractors to permit the representatives

of City to similarly inspect and audit the Books and Records of such subcontractor relating to such subcontractor's activities in connection with this Agreement for the same period of time.

8 PAYMENT OF TAXES AND LICENSES. Except for any possessory interest tax assessed with regard to the Parking Facilities (as provided below), Contractor shall pay all taxes and fees of whatever character that may be levied, assessed or charged with respect to (i) the rights of the Contractor to perform the service of operating and managing the Parking Facilities and (ii) Contractor's equipment, trade fixtures, or other property located on the Parking Facilities (including, without limitation, the Modular Office). While Contractor is only managing the Parking Facilities and has no possessory interest in the parking lots, roads, buildings, or other structures relating to the Parking Facilities and has no interest in the gross revenue generated by the operation of the Parking Facilities, the potential nevertheless exists that the property tax assessor of Los Angeles County may assert that a possessory interest tax is assessable against Contractor in connection with this Agreement. Contractor shall immediately, upon receipt of any tax bill asserting a possessory interest tax from the tax assessor of Los Angeles County, provide a copy of such bill to City. Contractor shall, at Contractor's expense, cooperate with City to contest the applicability of such possessory interest tax. Provided that Contractor fully cooperates with City to contest the applicability of the possessory interest tax, City shall be responsible for the payment of such possessory interest tax in the event that such contest is not successful. Contractor shall also pay for, and cause to be maintained in full force and effect during the term of this Agreement, all licenses or permits necessary or required by law or regulation for the conduct and operation of Contractor's activities contemplated by this Agreement or for the use of the Airport. Such licenses and permits shall cover not only Contractor, but also all of Contractor's employees and agents required to be licensed to transact Contractor's business and activities at the Airport.

#### 9 CONTRACTOR'S CONSTRUCTION AND INSTALLATION ACTIVITIES.

9.1 Contractor's Design, Construction and Installation Obligations – In General. Contractor shall, at Contractor's cost and expense and reimbursable by LAWA as a qualified expense (except as otherwise expressly provided in this Agreement), design and complete in a timely manner the installation of the Modular Office, any Infrastructure Improvements, and any other construction or installation work required to be constructed or installed by Contractor pursuant to the terms of this Agreement. Contractor shall coordinate such activities in a manner consistent with any other relevant design and construction activities occurring within the Facilities. Contractor shall manage and coordinate all such activities in such a manner as to minimize, to the greatest extent practicable, disruption of or interference with the operations of the Parking Facilities.

9.2 Prevailing Wage. Construction work performed will require payment of prevailing wages, if applicable. Contractor is obligated to make the determination of whether the payment of prevailing wages is applicable to work performed by Contractor in connection with this Agreement, and Contractor shall be bound by and comply with applicable provisions of the California Labor Code and federal, state, and local laws related to labor, including, but not limited to, assuming all obligations and responsibilities under the California Labor Code related to prevailing wages, apprenticeship and recordkeeping that requires compliance by the contracting or awarding agency or body (i.e., City) when work requires payment of prevailing wages under the applicable federal or California law. Contractor shall obtain the applicable wage determination for each craft, classification or worker, which are on file at the Office of Contract Compliance, Bureau of Contract Administration, in the City of Los Angeles, or may be obtained from the California Department of Industrial Relations. Contractor shall indemnify, defend and pay or reimburse City for any damages, penalties or fines (including, but not limited to, attorney's fees and costs of litigation) that City incurs, or pays, as a result of noncompliance with applicable prevailing wage and apprenticeship laws in connection with the work performed in connection with this Agreement.

9.3 Condition of Facilities. Contractor acknowledges and agrees that the Facilities are being provided for Contractor's management, operation and/or use (as applicable) in their "AS IS, WHERE IS" condition, and "WITH ALL FAULTS" and without any improvements or alterations to be made or constructed by City. Except as specifically set forth in this Agreement, neither City, nor any of City's agents and representatives, has made any oral or written representations or warranties of any kind whatsoever, express or implied, as to any matters concerning the Facilities. Contractor acknowledges and agrees that Contractor has performed its own due diligence on all matters relating to the Facilities, including, without limitation, all technical, operational and construction matters. Any "as-built" drawings, utility matrixes, or other technical information (including, but not limited to, architectural drawings or AutoCAD or other computer files) provided by City may not be accurate or complete. Contractor's use of or reliance on any such information shall be at its sole risk, and City shall have no liability arising therefrom.

9.4 City Approval of Installations and Improvements. Prior to the installation any infrastructure or other improvements, Contractor shall comply with the "LAWA Tenant Improvement Approval Process" (said LAWA Tenant Improvement Approval Process as may be modified from time to time is referred to herein as the "Construction Approval Process"), including without limitation, the submission to City's Commercial Development Group (unless the Chief Executive Officer designates a different group or department of City) for approval all required plans and other information. Upon receipt of the Chief Executive Officer's approval and any other applicable approvals, Contractor shall cause the installation and/or construction called for by the approved working drawings and specifications to be commenced and completed promptly. No substantial changes, additions, or alterations shall be made in said working drawings or specifications, or in the installation or construction called for thereby, without first obtaining Chief Executive Officer's approval in writing.

9.5 Building Permits. Prior to the commencement of any work, Contractor shall, at its own cost and expense (except as otherwise expressly provided in this Agreement), obtain all other permits and approvals required by applicable Laws including, but not limited to Los Angeles Department of Building and Safety, Los Angeles County Department of Health and OSHA. The Chief Executive Officer's approval of the plans, specifications and working drawings relating to the work shall create no responsibility or liability on the part of City for their completeness, design sufficiency, or compliance with all Laws and other requirements of governmental agencies or authorities. Neither City nor any City Agents shall be liable for any damage, loss, or prejudice suffered or claimed by Contractor, any Contractor Party or any other person or entity on account of: (a) the approval or disapproval of any plans, contracts, bonds, contractors, sureties or matters; (b) the construction or performance of any work whether or not pursuant to approved plans; (c) the improvement of any portion of the Facilities or alteration or modification to any portion of the Facilities; or (d) the enforcement or failure to enforce any of the covenants, conditions and restrictions contained in this Agreement.

9.6 Building Codes. All improvements, fixtures and equipment constructed or installed by Contractor in or about the Facilities, including the plans and specifications therefor, shall in all respects conform to and comply with the applicable Laws (including, without limitation, federal and state laws, ordinances, building codes, rules and regulations of the City of Los Angeles and such other authorities as may have jurisdiction over the Facilities or Contractor's activities therein).

9.7 Design and Engineering Standards. Contractor shall employ competent architects, engineers and designers. Contractor warrants that all design, installation and construction work and services shall conform to the highest professional standards pertinent to the respective trade or industry. Except as otherwise approved by the Chief Executive Officer, Contractor shall comply with applicable portions of the Design and Construction Handbook located at [www.lawa.org/laxdev/handbook.aspx](http://www.lawa.org/laxdev/handbook.aspx) (such handbook as may be revised from time to time by

City) (herein, the “Design and Construction Handbook”).

9.8 Licensed Contractors. All installation and construction work shall be performed in a good and workmanlike manner in accordance with good industry practice for the type of work in question by duly licensed contractors under the supervision of a competent licensed architect or engineer. Contractor warrants that all materials and equipment furnished will be new and of good quality unless otherwise specified, and that all workmanship will be of good quality, free from faults and defects and in conformance with the approved design documents.

9.9 No Alterations Without Approval. Contractor shall not make any improvements or alterations to any of the Facilities (“Alterations”) without the prior written approval of the Chief Executive Officer and without first complying with City’s Construction Approval Process. Any unauthorized Alterations made by Contractor shall be removed at Contractor’s sole cost and expense and any damage to such Facilities shall be promptly repaired, and if not removed and repaired within fifteen (15) days of demand from City, City may remove such Alterations and restore such Facilities, at Contractor’s sole cost and expense.

9.10 Workers' Compensation. Prior to commencement of any construction or installation work, Contractor shall first submit to City a certificate of insurance evidencing the fact that Contractor (and any relevant Contractor Party) maintains workers' compensation and employers liability coverage in the amounts and form required by the Workers' Compensation Act and insurance Laws of the State of California. Such certificate shall include a Waiver of Subrogation naming and for the benefit of the City of Los Angeles and City Agents. Such certificate shall contain the applicable policy number and the inclusive date for same, shall bear an original signature of an authorized representative of the insurance carrier and shall also provide thereon that the insurance shall not be subject to cancellation except after notice by registered mail to the City Attorney (addressed as set forth in Section 17.1.1 below) of the City of Los Angeles at least thirty (30) days prior to the date of cancellation.

9.11 Payment and Performance Bonds.

9.11.1 Performance Bond. In connection with any works of improvement constructed or installed by Contractor, Contractor shall furnish, at its sole cost and expense (except as otherwise expressly provided in this Agreement), a performance bond as prescribed by the City Attorney in the principal sum (i.e., 100%) of the amount of the construction proposed by Contractor, or alternative security deposit for said amount acceptable to Executive Director.

9.11.2 Payment Bond. In connection with any works of improvement constructed or installed by Contractor, Contractor shall furnish, at its sole cost and expense (except as otherwise expressly provided in this Agreement), a payment bond as prescribed by the City Attorney in the principal sum (i.e., 100%) of the amount of the construction, alteration, repair or improvement work in excess of \$25,000 proposed by Contractor.

9.11.3 Contractor shall comply with the provisions of California Civil Code Sections 8600 to 8614 or Sections 9550 to 9566, as applicable to any such bonds, by filing the original contract and any modifications thereto in the office of the Los Angeles County Recorder, together with the bonds specified therein, and a conformed copy of such bonds, filed for record as aforesaid, shall be furnished by Contractor to City. Such payment and/or performance bonds shall be furnished no later than thirty (30) days prior to the commencement of such work. The payment and/or performance bonds shall be in substantially the same form as may be prescribed from time to time by the City Attorney and approved by ABM’s surety, be issued by a surety company satisfactory to Chief Executive Officer, and authorized and licensed to transact business in the State of California and be for the full amount stated above with the City of Los Angeles, Department of Airports, as obligee, and shall guarantee the full, faithful and satisfactory payment and performance by Contractor of its obligations to construct and install the aforementioned works

of improvement, and shall guarantee the payment for all materials, provisions, supplies, and equipment used in, on, for, or about the performance of Contractor's works of improvement or labor done thereon of any kind, and shall protect City from any liability, losses, or damages arising therefrom.

9.12 No Liens. Contractor shall pay when due all claims for labor or materials furnished or alleged to have been furnished to or for Contractor at, on, about, or for use in the Facilities or any portion thereof or in connection with the New ACS. Contractor shall keep the Facilities and the New ACS, free and clear of all mechanics' liens and all other liens from any work undertaken by or on behalf of Contractor or any Contractor Party. Contractor shall give City immediate written notice of any lien filed against the Facilities or the New ACS related to or rising from the activities of Contractor or any Contractor Party.

9.13 Competitive Bidding/Proposals for Infrastructure Improvements. The provisions of this Section shall apply to the construction of the Infrastructure Improvements or other Alterations made to the Parking Facilities. The provisions of this Section 9.13 are intended to promote pricing and responsive and responsible proposals in a fair and reasonable manner. As such, the selection of contractors for the construction of the Infrastructure Improvements or other Alterations shall be based upon competitive bids or proposals as follows:

9.13.1 Excluding work priced as part of the Contractor's proposal, Contractor shall use reasonable efforts to secure the commitment to bid or propose on the Infrastructure Improvements or other Alterations from a minimum of three (3) unrelated bidders or proposers.

9.13.2 In the event that Contractor obtains fewer than three (3) bids or proposals, it shall provide City with a written description of its efforts to obtain competition and, if Contractor believes that Contractor should proceed to award the bid or proposal with fewer than three (3) bidders or proposers, the justification therefor, including why Contractor believes the cost of such bid or proposal is reasonable.

9.13.3 In the event that the Contractor elects not to proceed to award the bid or proposal solely on the basis of price, it shall provide City with a written justification of the reasons therefor.

## 10 TERMINATION FOR CONVENIENCE.

10.1 Termination for Convenience. In the event that the Chief Executive Officer, in his or her sole and absolute discretion, at any time determines that efficient or convenient operations at the Airport require the termination of this Agreement, City shall have the absolute right to terminate this Agreement (a "Termination for Convenience"), upon not less than ninety (90) days' prior written notice to Contractor (a "Convenience Termination Notice"). The Convenience Termination Notice shall set forth the effective date of such termination ("Convenience Termination Date"). On or before the Convenience Termination Date, Contractor shall comply with its obligations to be performed by Contractor in connection with the termination of this Agreement as set forth in this Agreement (including, without limitation, Contractor's obligations set forth in Section 12 below). In the event of a Termination for Convenience under this Section 10, City shall pay to Contractor an amount equal to the Convenience Termination Payment (as defined in Section 10.2.1 below) within forty-five (45) days following the Convenience Termination Compliance Date (as defined in Section 10.2.2 below). Contractor specifically acknowledges that this Termination for Convenience provision is a material inducement to City to allow Contractor to enter into this Agreement.

10.2 Termination Payment. In the event of a Termination for Convenience under Section 10.1 above, Contractor shall receive from City a payment in respect of such termination as set forth in Section 10.2.1 below. Contractor's right to any such termination payment shall be

conditioned upon Contractor's execution and delivery to City of a general release of claims by Contractor, which release shall be in a form satisfactory to City (the "Termination Release").

10.2.1 Termination Payment - Termination for Convenience under Section 10.1. The term "Convenience Termination Payment" shall mean a payment to Contractor from City should City terminate the Agreement herein without cause prior to the Expiration Date. The Convenience Termination Payment shall consist of 1) an amount equal to the outstanding actual bus lease payment costs and Electric Vehicle (EV) charger infrastructure costs owed by the City as reflected in the Business & Operations Plan (which is the total of \$19,164,087 over the 10-year term for the buses and \$614,300 for the EV charger infrastructure) and 2) the Contractor's shut down expenses of a not-to-exceed amount of \$250,000. City shall have the option to take ownership of the buses upon City's exercise of its right to Terminate the Agreement for Convenience. If Contractor is leasing the buses to provide the services for which Contractor is responsible under this Agreement, Contractor shall ensure Contractor's ability to transfer ownership of the buses to City by demonstrating proof of a buy-out provision in Contractor's bus lease. In the event City elects to acquire the buses, City shall incur no additional cost to do so, beyond satisfying the Convenience Termination Payment.

10.2.2 Convenience Termination Compliance Date. The term "Convenience Termination Compliance Date" shall mean the date that all of the following have occurred: (i) Contractor has vacated the Facilities in accordance with the termination provisions under this Agreement; (ii) City has received the Termination Release signed by Contractor; (iii) the Convenience Termination Date has occurred; and (iv) Contractor has performed all of Contractor's obligations under this Agreement to be performed on or before the Convenience Termination Date.

10.3 Qualified Investments Defined. Subject to the limitations and conditions set forth in Section 10.4 below, the term "Qualified Investments" shall mean an amount equal to the actual costs incurred by Contractor for the purchase or lease of in-service shuttle vehicles or other capital improvements, including EV charging infrastructure. Notwithstanding the above, City Transportation Vehicles used by the Contractor shall not be considered as "Qualified Investments".

10.4 Additional Conditions Applicable to Qualified Investments. With respect to any expenditure described in Section 10.3 above, such expenditure must satisfy the following additional requirements and conditions in order to be classified as a Qualified Investment:

10.4.1 Submittal to the Chief Executive Officer. Within thirty (30) days of Contractor's lease or purchase of shuttle vehicles, Contractor shall provide Chief Executive Officer, for purposes of verification, a copy of the bill of sale, or lease agreement, for such shuttle vehicles showing the amount of actual expenditures which Contractor desires to be classified as a Qualified Investment, along with proof of payments, if requested.

10.4.2 Required Information; Approval of Qualified Investments. Prior to any investment by the Contractor, the Chief Executive Officer, in his /her sole and absolute discretion which shall not be unreasonable, will decide if such amount of actual expenditures that Contractor intends to make may then be included as part of the Qualified Investments amount. With respect to the depreciation of Qualified Investments, such Qualified Investments shall be fully depreciated over the applicable depreciation period, with no residual value. All depreciation calculations shall be subject to the review and approval of the Chief Executive Officer. City shall have the right to audit the Books and Records of Contractor in accordance with the provisions of Section 7 above.

10.4.3 Affiliated Transactions. Any amounts paid to any Affiliate of Contractor may be included as a part of the Qualified Investment only (i) to the extent that the amounts paid are fair and are otherwise no less favorable to Contractor than would be obtained in a comparable arm's-length transaction with an unrelated third party or (ii) to the extent specifically approved in

writing by the Chief Executive Officer, upon the separate written request of Contractor made prior to incurring such costs. The term "Affiliate" of Contractor shall mean (i) any person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with Contractor or (ii) any entity in which Contractor or any owner of Contractor has an ownership interest (provided, however, if Contractor is a corporation whose voting securities are registered with the Securities and Exchange Commission and publicly traded on a regular basis, then only such shareholder of Contractor having an ownership interest greater than five percent (5%) shall be deemed an "Affiliate"). The term "control" (including the terms controlling, controlled by and under common control with) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise.

10.4.4 Other Limitations on Qualified Investments. Amounts eligible as Qualified Investments shall not include any interest or financing costs.

10.5 Required Information; Approval of Shut-Down Expenses. Within thirty (30) days of Chief Executive Officer's Termination Notice, Contractor shall provide Chief Executive Officer with copies of receipts showing the amount of actual shut-down expenditures Contractor desires to be reimbursed by City. Shut-down expense reimbursement i) shall be made on a pro rata basis from the date Contractor incurred the expenses to the Convenience Termination Date and ii) is limited to the following costs specific to Contractor's provision of services rendered under this Agreement: unrecovered start -up costs, early termination of property or equipment lease(s); equipment transfer and disposal costs; pre-paid fees for vehicle licenses and registration; and pre -paid insurance (both vehicle and employee) and iii) shall not exceed an amount equaling Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00). Chief Executive Officer shall approve shut -down costs eligible for reimbursement, in his or her sole discretion.

10.6 No Other Compensation. Contractor acknowledges and agrees that, except for the Convenience Termination Payment in connection with a Termination for Convenience, Contractor has absolutely no right to any payment, claim, damage, offset or other compensation in connection with the termination of this Agreement. Without limiting the generality of the foregoing, (i) no payment or other compensation shall be payable to Contractor in connection with the expiration of the Term of this Agreement and (ii) no payment or other compensation shall be payable to Contractor in connection with the termination of this Agreement as a result of Contractor's default in the performance of its duties and obligations hereunder.

11 TERMINATION FOR CAUSE. In the event that Contractor fails to perform any of Contractor's duties or obligations under this Agreement, and Contractor fails to cure within ten (10) days after written notice from City to Contractor of such default, then City may immediately terminate this Agreement and all rights of Contractor hereunder by giving written notice to Contractor of such election by City to terminate this Agreement by reason of such default; provided, however, that, if such default does not relate to the failure of Contractor to pay money to City and if such default cannot be cured within such ten (10) day period following written notice despite reasonable diligence, then City will not terminate this Agreement by reason of such default so long as Contractor following such written notice diligently and continuously prosecutes the cure to completion and actually completes such cure within thirty (30) days following such written notice of default. Such right of City to terminate this Agreement for cause shall be in addition to (and not in limitation of) any and all other rights and remedies available to City at law or in equity in connection with such default. Contractor acknowledges that events of default giving rise to City's right to terminate this Agreement, include, but are not limited to the following:

11.1 Failure to Deposit Gross Revenues. The failure of Contractor to duly and punctually deposit the Gross Revenue as provided in Section 8 hereof, or to make any other payments or remittances to City required under this Agreement when due.

11.2 Failure to Maintain Quality of Service. The failure of Contractor to maintain the quality of services to the satisfaction of Chief Executive Officer as required by this Agreement.

11.3 Miscellaneous Acts Leading to Suspension or Revocation. The happening of any act which results in the suspension or revocation of the rights, powers, licenses, permits and authorities necessary for Contractor to conduct and operation of the Parking Facilities as provided herein.

11.4 Transfer of Interest. The transfer of the interest of Contractor under this Agreement by voluntary or involuntary assignment, operation of law, or otherwise, to any other person, firm or corporation, in violation of the terms of this Agreement.

11.5 Change in Ownership. Any change in the ownership or control of Contractor in violation of the terms of this Agreement or which, in the opinion of the Chief Executive Officer, is not in the best interest of City or the public.

11.6 Failure to Perform. The failure of Contractor to keep, perform or observe any promise, covenant, condition or agreement set forth in this Agreement on its part to be kept, performed or observed.

11.7 Interferences to Contractor's Performance and Obligations. The levy of any attachment or execution, or the appointment of any receiver, or the execution of any other process of any court of competent jurisdiction which does or as a direct consequence of such process will interfere with Contractor's management and operation of the Parking Facilities or the performance of any of Contractor's other obligations under this Agreement, and which attachment, execution, receivership, or other process of such court is not vacated, dismissed, or set aside within a period of thirty (30) days.

11.8 Insolvency. Contractor 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 for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other laws or statute of the United States, or of any state law, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of its property.

11.9 Bankruptcy. The filing of a voluntary petition in bankruptcy by Contractor, the filing by Contractor of a voluntary petition for an arrangement or assignment for the benefit of creditors, the filing by or against Contractor of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by the creditors of Contractor, which involuntary petition remains undischarged for a period of thirty (30) days.

11.10 Cessation or Deterioration of Services. Cessation or deterioration of any of Contractor's services hereunder for a period which, in the opinion of the Chief Executive Officer, adversely affects the operation of the public services required to be performed by Contractor under this Agreement.

11.11 Liens. Any lien filed against the Parking Facilities or the New ACS because of any act or omission of Contractor.

11.12 Termination Payment. In the event of a termination for cause pursuant to this Section 11, the City shall pay to Contractor a termination payment equal to the Termination Payment described in Section 10.2.1 less any actual direct damages incurred by the City as a result of Contractor's default under this Agreement.

12 CONTRACTOR'S OBLIGATIONS UPON TERMINATION. Upon the

expiration or earlier termination of this Agreement, Contractor shall vacate the Facilities and deliver the Facilities to City in an orderly manner and in good condition and state of repair. Contractor shall remove Contractor's property from the Facilities, except for such property that is to remain at the Facilities and become the property of City pursuant to the terms of this Agreement (e.g., the New ACS). Contractor shall fully cooperate with City and any succeeding Contractor with respect to the Parking Facilities to ensure an effective and efficient transition of parking operations; it being agreed that fully functional parking operations will be maintained at all times. Without limiting the generality of the foregoing, Contractor shall comply with any and all reasonable transition plans and directives that the Chief Executive Officer may issue in connection with such expiration or termination.

13 FAITHFUL PERFORMANCE GUARANTEE. Contractor shall furnish to City, at Contractor's sole cost and expense, and shall keep in full force and effect and available during the Term of this Agreement and for thirty (30) days after the vacation of the Facilities in accordance with the requirements of this Agreement, a Faithful Performance Guarantee ("FPG") to secure the faithful and timely performance by Contractor of all terms, provisions, and covenants contained in this Agreement. The initial amount of the FPG shall be an amount equal to 18% of first three month's of Year 1 operating budget in effect as of the commencement of the Term (herein, the "FPG Amount"). Such FPG shall be separate from any other guarantee(s) required by City.

13.1 FPG Adjustment. Commencing on first day of the second Year and the first day of each Year thereafter during the Term (including any extension thereof), the FPG Amount shall be adjusted to increase three percent (3%) from the prior Year's FPG Amount; provided, however, that in no event shall the FPG Amount as so adjusted be less than the initial FPG Amount in effect on the commencement of the Term. Such adjustment shall be made within thirty (30) days following Contractor's submittal of the annual report for the prior Year.

13.2 FPG Adjustment Due To Alterations. To the extent City may require as part of City's construction approval process that Alterations installed by Contractor are to be removed upon the expiration or earlier termination of this Agreement, then the FPG may be increased by the amount reasonably estimated as the cost to remove such Alterations and to restore any damage to the Facilities caused thereby.

13.3 Form. The FPG shall be in the form of an irrevocable standby letter of credit ("LOC"), which shall be self-renewing with an "evergreen clause" that renews the credit from year to year without amendment, subject to termination upon sixty (60) days written notice to City, and issued by issuer acceptable to City, with offices in Los Angeles, California. The LOC shall allow for partial and multiple drawings by City, and must have an expiry date consistent with the ability to make such drawings for the full period required hereunder. The FPG and all amendments increasing the FPG Amount must be approved as to form by the City Attorney.

13.4 Submittal. Contractor shall furnish the FPG in duplicate no later than ten (10) days after the Effective Date of this Agreement, and any amendments to the FPG relating to the adjustment of the FPG Amount shall be delivered to City within thirty (30) days following the effective date of such adjustment. If, for any reason, said FPG is not provided by Contractor or is not thereafter maintained in sufficient amount throughout the Term hereof, City may terminate this Agreement for cause at any time upon giving Contractor five (5) days prior written notice. Following the expiration or earlier termination of this Agreement, and if Contractor has satisfied all of its obligations to City hereunder, City shall relinquish to Contractor said FPG following such expiration or earlier termination and satisfaction of all obligations to City. The FPG shall be submitted to:

Los Angeles World Airports  
Attn: Accounting/Revenue-FPG Administrator  
P.O. Box 92216  
Los Angeles, CA 90009-2216

13.5 Replacement. If, at any time during the term of this Agreement, the issuer with respect to the FPG shall, in the opinion of Chief Executive Officer, become unacceptable, the Chief Executive Officer shall have the right to require a replacement LOC which Contractor shall furnish to the satisfaction of Chief Executive Officer within thirty (30) days after written notice to do so.

#### 14 INSURANCE AND INDEMNIFICATION.

14.1 Insurance. Contractor shall procure at its expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on **Exhibit E - Insurance** attached hereto and incorporated herein by reference. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, City Agents, and their successors and assigns, as additional insureds, against the areas of risk described on **Exhibit E - Insurance** with respect to acts or omissions of Contractor or any of the Contractor Parties in their respective operations, use, and/or occupancy of the Parking Facilities or other related functions performed by or on behalf of Contractor or any of the Contractor Parties in, on or about the Airport.

14.1.1 Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this agreement with the City of Los Angeles." With respect to Workers' Compensation, Contractor shall by specific endorsement, waive its right of subrogation against City, City Agents and their successors and assigns.

14.1.2 All such insurance shall be primary and noncontributing with any other insurance held by City where liability arises out of or results from the acts or omissions of Contractor or any of the Contractor Parties. Such policies may provide for such reasonable deductibles and retentions as are acceptable to the Chief Executive Officer based upon the nature of Contractor's operations and the type of insurance involved.

14.1.3 City shall have no liability for any premiums charged for such coverage(s). The inclusion of City and City Agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venture with Contractor in Contractor's operations at the Airport. In the event Contractor fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) days prior written notice to comply, may but shall not be required to procure such insurance at the cost and expense of Contractor, and Contractor agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

14.1.4 At least ten (10) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Contractor shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

14.1.5 Contractor shall provide proof of all specified insurance and related requirements to City either by production of the actual insurance policy(ies), by use of City's own endorsement form(s), by broker's letter acceptable to the Chief Executive Officer in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Chief Executive Officer. The documents evidencing all specified coverages shall

be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of the City of Los Angeles' Administrative Code prior to Contractor entering upon the Facilities. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

14.1.6 City and Contractor agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this Agreement by the Chief Executive Officer who may, thereafter, require Contractor, on thirty (30) days prior written notice, to adjust the amounts of insurance coverage to whatever reasonable amount the Chief Executive Officer deems to be adequate.

14.1.7 Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations or directives from the State Department of Insurance or other regulatory board or agency. Contractor agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

14.1.8 To the fullest extent permitted by law, Contractor, on behalf of Contractor and its insurers, hereby waives, releases and discharges City and all City Agents from all Claims arising out of damage to or destruction of Contractor's property located on or about the Facilities, and any loss of use or business interruption, caused by any casualty, regardless whether any such Claim results from the negligence or fault of City or any City Agent, and Contractor will look only to Contractor's insurance coverage (regardless whether Contractor maintains any such coverage) in the event of any such Claim. Any property insurance which Contractor maintains must permit or include a waiver of subrogation in favor of City and all City Agents.

14.1.9 City's establishment of minimum insurance requirements for Contractor in this Agreement is not a representation by City that such limits are sufficient and does not limit Contractor's liability under this Agreement in any manner.

14.2 City Held Harmless. In addition to the requirements of Section 14.1 (Insurance) above, to the fullest extent permitted by law, Contractor shall indemnify, defend, keep and hold City, City Agents and their successors and assigns harmless from and against any and all actions, causes of action, charges, claims, costs, damages, demands, expenses (including attorneys' fees, costs of court and expenses incurred), fines, judgments, liabilities, liens, losses, or penalties of every kind and nature whatsoever (collectively, "Claims") arising out of or in connection with (i) the entry upon, use or occupancy of the Facilities or the Airport or the performance of this Agreement by Contractor or any of the Contractor Parties, (ii) any acts or omissions of Contractor or any of the Contractor Parties, and (iii) any default in the performance of Contractor's obligations under this Agreement. The foregoing defense and indemnification obligations of Contractor shall include, without limitation, all Claims claimed by anyone (including Contractor and the Contractor Parties) by reason of injury to, or death of, any person(s) (including Contractor and the Contractor Parties), all Claims for damage to, or destruction of, any property (including property of Contractor and the Contractor Parties) and all Claims for any and all other losses founded upon or alleged to arise out of, pertain to, or relate to Contractor's and/or the Contractor Parties' performance of this Agreement). The foregoing defense and indemnification obligations of Contractor shall apply to all Claims, whether or not contributed to by any act or omission of City or any City Agents; provided, however, that where such Claim arises from or relates to Contractor's performance of a "Construction Contract" as defined by California Civil Code section 2783, this paragraph shall not be construed to require

Contractor to indemnify or hold City harmless to the extent such Claim is caused by City's sole negligence, willful misconduct or active negligence; and provided, further, that where such Claim arises from Contractor's design professional services as defined by California Civil Code section 2782.8, Contractor's indemnity obligations shall be limited to claims arising out of, pertaining to, or relating to Contractor's negligence, recklessness or willful misconduct in the performance of such services.

14.2.1 In addition, Contractor agrees to protect, defend, indemnify, keep and hold harmless City and City Agents from and against any and all Claims arising out of any threatened, alleged or actual claim that the end product provided to City by Contractor violates any patent, copyright, trade secret, proprietary right, moral right, privacy or similar right, or any other rights of any third party anywhere in the world. Contractor agrees to, and shall pay, all damages, settlements, expenses and costs (including, without limitation, costs of investigation, court costs and attorneys' fees), and all other costs and damages sustained or incurred by City arising out of, or relating to, any Claim referred to in this paragraph.

14.2.2 In Contractor's defense of City under this Section, negotiation, compromise and settlement of any Claim, City shall retain discretion in and control of the litigation, negotiation, compromise, settlement and appeals therefrom, as required by the Los Angeles City Charter (particularly Article II, Sections 271, 272 and 273 thereof).

The provisions of this Section 14.2 shall survive the expiration or termination of this Agreement.

## 15 ASSIGNMENT; SUBCONTRACTORS.

15.1 Assignment. Contractor shall not, in any manner, directly or indirectly, by operation of law or otherwise, assign, transfer, hypothecate or encumber this Agreement or any portion thereof or any interest therein, in whole or in part or any rights or obligations appurtenant thereto (herein, a "Transfer"), without the prior written consent of the Board, which may be granted, denied or conditioned in the Board's sole and absolute discretion. Any such Transfer by Contractor without the written consent of the Board is a violation of this Agreement and shall be voidable at City's option and shall confer no right, title, or interest in or to this Agreement upon any such transferee. Consent to one Transfer shall not be deemed to constitute consent to any subsequent Transfer.

15.2 Contractor Change of Ownership. For purposes of this Agreement, the term "Transfer" shall include, but not be limited to, the following: (i) if Contractor is a joint venture, a limited liability company, or a partnership, the transfer of fifty percent (50%) or more of the interest or membership in the joint venture, the limited liability company, or the partnership; (ii) if Contractor is a corporation, any cumulative or aggregate sale, transfer, assignment, or hypothecation of fifty percent (50%) or more of the voting shares of Contractor; (iii) the dissolution by any means of Contractor; and, (iv) a change in business or corporate structure, either in one ( 1 ) transaction or a series of transactions resulting in the transfer of fifty percent (50%) or more of the ownership or controlling interests of Contractor on a cumulative basis.

15.3 Subcontractors. Notwithstanding the definition of "Transfer" set forth in Sections 15.1 and 15.2 above, Contractor may, with the prior written approval of the Chief Executive Officer (which approval may be given or withheld in the Chief Executive Officer's sole and absolute discretion), enter into sub-contracts for certain aspects of the services to be provided by Contractor; and in such event, the entering into of any such sub-contract with such subcontractor as so approved by the Chief Executive Officer shall not be considered a "Transfer" requiring the consent of the Board under this Section 15.

15.4 Contractor Name Change. In the event that Contractor desires to change its entity

name or business name (i.e., a mere change of name not involving a Transfer within the meaning of this Section 15), then such name change by Contractor may be made with the written approval of the Chief Executive Officer, and in the event that the Chief Executive Officer approves such name change, then no approval of the Board shall be required.

16 AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM.

16.1 Compliance Non-Discrimination Policy and ACDBE Program. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 Code of Federal Regulations (CFR) Part 23. Contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any operating agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23. Contractor agrees to include the above statements in any subsequent operating agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements. City has established an Airport Concession Disadvantaged Business Enterprise program in accordance with regulations of the U.S. Department of Transportation, 49 Code of Federal Regulations Part 23 (the "ACDBE Rules"). Additionally, City strictly prohibits all unlawful discrimination and preferential treatment in contracting, subcontracting and purchasing under this Agreement (the "Non-Discrimination Policy"). Contractor shall comply with the ACDBE Rules and the Non-Discrimination Policy and shall not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with its performance under this Agreement or in contracting, sub-contracting or purchasing in connection with this Agreement. Contractor shall cooperate with City in City's program of recruiting, training, providing technical assistance and holding workshops to ensure that contracting, subcontracting and purchasing opportunities available under this Agreement are accessible and available to all qualified businesses owners, including "Airport Concession Disadvantaged Business Enterprises" ("ACDBEs") as defined in the ACDBE Rules. In order to provide a fair opportunity for ACDBE participation, Contractor shall make good faith efforts, and keep documentation of all such efforts, in accordance within the ACDBE Rules, to provide for a level of ACDBE participation in the operations contemplated by this Agreement equal to or greater than 12.93% percent (%). Failure to comply with the ACDBE Rules shall constitute a default of this Agreement unless the shortfall is the result of changes in the operation required by the Airport.

16.2 Substitutions. Should a substitution or an addition of an ACDBE become necessary, Contractor shall comply with all requirements of the ACDBE Rules.

16.3 Monthly Report. In order to assure compliance with the Non-Discrimination Policy and the ACDBE Rules, Contractor shall submit, in the format required by Chief Executive Officer, a monthly report to City, describing the gross receipts of each initial ACDBE (and each substitute ACDBE), in each case calculated in accordance with the requirements of the Business and Operations Plan. Contractor shall submit in the format required by the Chief Executive Officer such other information as may be requested by the Chief Executive Officer to ensure compliance with the ACDBE Rules.

17 OTHER PROVISIONS.

17.1 Notices.

17.1.1 Notice to City. Written notices to City hereunder shall be sent to the Chief Executive Officer, with a copy to the City Attorney of the City of Los Angeles, shall be given by personal delivery, registered or certified mail, postage prepaid, or by nationally recognized overnight courier, and shall be addressed as follows: follows:

Chief Executive Officer  
Los Angeles World Airports  
1 World Way  
Post Office Box 92216  
Los Angeles, 90009-2216

City Attorney  
Los Angeles World Airports  
1 World Way  
Post Office Box 92216  
Los Angeles, CA 90009-2216

or to such other address as City may designate by written notice to Contractor.

17.1.2 Notice to Contractor. Written notices to Contractor hereunder shall be given by personal delivery, by registered or certified mail, postage prepaid, or by nationally recognized overnight courier, and shall be addressed as follows:

ABM Aviation, Inc.  
4151 Ashford Dunwoody Road, Suite 600  
Atlanta, GA 30319  
Attention: Scott Hutchinson, Senior Vice President  
Email: [Scott.Hutchison@abm.com](mailto:Scott.Hutchison@abm.com)  
Phone: (801) 419-1812

or to such other address as Contractor may designate by written notice to City.

17.1.3 Effect of Notice by Chief Executive Officer. The execution of any such notice by the Chief Executive Officer shall be as effective as to Contractor as if it were executed by the Board, or by resolution or order of said Board, and Contractor shall not question the authority of the Chief Executive Officer to execute any such notice.

17.1.4 Manner of Giving Notice. All such notices, except as otherwise provided herein, may either be delivered personally to Chief Executive Officer with a copy to the Office of the City Attorney, Airport Division, in the one case, or to Contractor in the other case, or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail. Such notice may also be delivered by a nationally recognized overnight commercial courier service that requires the recipient's signature for delivery, and shall be effective one (1) business day after delivery by such courier.

## 17.2 Limitations on Use of Airport.

17.2.1 Contractor shall not use the Airport, nor any portion thereof, for any purpose other than as specifically set forth in this Agreement, without first having had and obtained the written consent of the Chief Executive Officer, which consent may be withheld in the Chief Executive Officer's sole and absolute discretion, and which written consent is approved as to form by the City Attorney.

17.2.2 There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the Airport. Contractor agrees not to make any claim or institute legal action against City under any theory of recovery for any interference with Contractor's use and enjoyment of the Airport which may result from noise emanating from the operation of aircraft to, from, or upon the Airport except for claims or actions brought by third parties against Contractor arising from City's operation of Airport.

17.2.3 Contractor, by accepting this Agreement, agrees for itself and its successors and assigns that it will not make use of the Airport in any manner which might interfere with the landing and taking off of aircraft from Airport or otherwise constitute a hazard to such operations. In the event the aforesaid covenant is breached, City reserves the right to take all action it deems necessary to cause the abatement of such interference at the expense of Contractor [USE GUIDE, paragraph 8].

17.2.4 Contractor shall conduct its, and cause its sub-Contractors to conduct their, operations on the Airport in such manner as to reduce as much as is reasonably practicable, considering the nature and extent of said operations, any and all activities which interfere unreasonably with the use of other premises at the Airport, including, but not limited to, the emanation from the Airport of noise, vibration, movements of air, fumes, and odors.

17.2.5 Contractor is prohibited from installing or using any wireless workstations, access control equipment, wireless internet servers, application or system software such as transceivers, modems, or other interface units that access frequencies from 2.0 Gigahertz to 6.0 Gigahertz, inclusive, without first obtaining approval from the Executive Director.

17.2.6 Contractor has no rights under this Agreement to install or use any antennae or telecommunications equipment on the roof or exterior of any building or structure on the Airport, unless such installation or use is directly related to the conduct of Contractor's business and in full compliance with City's permit process and telecommunications policies as they may be modified from time to time at the sole and absolute discretion of the Chief Executive Officer. Contractor may not license or sublicense to others the right to install or use antennae or other telecommunications equipment on the Airport.

17.2.7 It is understood and agreed that nothing herein contained shall be constrained to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act [49 U.S.C. 40103(e) and 47107(a)(4) (Public Law 103-272; 108 STAT. 1102) [USE GUIDE, paragraph 9].

17.2.8 This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation, or maintenance of the Airport [USE GUIDE, paragraph 4].

17.2.9 This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of the Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency [USE GUIDE, paragraph 10].

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**The paragraph references are to mandatory requirements contained in a document entitled, "LEASE AND USE AGREEMENT GUIDE", dated June 6, 1984, revised May 2001, published by the Federal Aviation Administration. Late Charge and Interest for Delinquent Payment.**

17.3.1 Contractor hereby acknowledges that late payment by Contractor of payments, fees and charges due to City herein will cause City to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any amount due City is not received by City within ten (10) days after such amount shall be due, then, without any requirement for notice to Contractor, Contractor shall immediately pay to City a one-time late charge equal to ten percent (10%) of such overdue amount or \$250, whichever is greater. The parties agree that such late charge represents a fair and reasonable estimate of the costs the City will incur by reason of such late payment. Acceptance of such late charge by City shall in no event

constitute a waiver of Contractor's default or breach with respect to such overdue amount, nor prevent the exercise of any other rights and remedies granted herein.

17.3.2 Any monetary payment due City hereunder shall bear interest from the date when due. The interest rate shall be ten percent (10%) per annum, compounded monthly, but shall not exceed the maximum rate allowed by law. The interest that applies shall be in addition to the late charge.

17.3 Cross Default. A material default or breach of the terms of any other license, permit, contract and any other agreement held or entered into by Contractor with City shall constitute a material breach of the terms of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth herein.

17.4 Attorney's Fees. Except as specifically set forth in this Agreement, both parties agree that in any action to enforce the terms of this Agreement, each party will be responsible for its own costs and attorney's fees.

17.5 Hazardous and Other Regulated Substances.

17.6.1 Definition of "hazardous substances(s)". For the purposes of this Agreement, the term "hazardous substances" means:

17.6.1.1 Any substance the presence of which requires the investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action, policy or common law; or

17.6.1.2 Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

17.6.1.3 Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

17.6.1.4 Any substance the presence of which on the Airport causes or threatens to cause a nuisance upon the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Airport; or

17.6.1.5 Any substance the presence of which on adjacent properties could constitute a trespass by Contractor; or

17.6.1.6 Any substance, without limitation, which contains gasoline, aviation fuel, jet fuel, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenols (PCBs) asbestos, urea formaldehyde or radon gases.

17.6.2 Environmental Indemnity. Except for conditions existing prior to the use of the Airport by Contractor, Contractor agrees to accept sole responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or other orders of any governmental entity regarding the use, storage, handling,

distribution, processing, and/or disposal of hazardous substances, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the Airport, on the user of the land, or on the user of the improvements. Contractor agrees that any claims, damages, penalties, or fines asserted against or levied on City and/or the Contractor as a result of noncompliance with any of the provisions in this Section shall be the sole responsibility of the Contractor and that Contractor shall indemnify and hold City harmless from all such claims, damages, penalties, or fines. Further, City may, at its option, pay such claims, damages, penalties, or fines resulting from Contractor's non-compliance with any of the terms of this Section, and Contractor shall indemnify and reimburse City for any such payments.

17.6.3 Corrective Action. In the case of any hazardous substance spill, leak, discharge, release or contamination by Contractor or its employees, servants, agents, contractors, or subcontractors on the Airport or as may be discharged or released in, on or under adjacent property which affects other property of City or its tenants, Contractor agrees to make or cause to be made any necessary corrective actions to clean up and remove any such spill, leakage, discharge, release or contamination. If Contractor fails to repair, clean up, properly dispose of, or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary to properly repair, clean up, or otherwise correct the conditions resulting from the spill, leak, discharge, release or contamination. Any such repair, cleanup, or corrective actions taken by City shall be at Contractor's sole cost and expense and Contractor shall indemnify and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any repair, cleanup, or corrective action it takes.

17.6.4 Storage Tanks. If Contractor installs or uses already installed underground storage tanks, above-ground storage tanks, pipelines, or other improvements on the Airport for the storage, distribution, use, treatment, or disposal of any hazardous substances, Contractor agrees, upon the expiration and/or termination of this Agreement, to remove and/or clean up, at the sole option of the Chief Executive Officer, the above-referred-to improvements. Said removal and/or cleanup shall be at the Contractor's sole cost and expense and shall be undertaken and completed in full compliance with all federal, state, and local laws and regulations, as well as with the reasonable directions of the Chief Executive Officer.

17.6.5 Contractor's Provision to City of Environmental Documents. Contractor shall promptly supply City with complete and legible copies of all notices, reports, correspondence, and other documents sent by Contractor to or received by Contractor from any governmental entity regarding any hazardous substance. Such written materials include, without limitation, all documents relating to any threatened or actual hazardous substance spill, leak, or discharge, or to any investigations into or clean up of any actual or threatened hazardous substance spill, leak, or discharge including all test results.

17.6.6 Survival of Obligations. This Section and the obligations herein shall survive the expiration or earlier termination of this Agreement.

## 17.6 Airfield Security.

17.7.1 Contractor shall be responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, airport security agreements, and/or orders of any federal, state, and/or local governmental entity regarding airfield security. Contractor shall be responsible for the Airport gates and doors that are controlled or used by Contractor. Contractor shall comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 Code of Federal Regulations ("CFR"), Sections 1500 through 1550 and 14 CFR Part 129, if applicable, including the establishment and implementation of procedures acceptable to the Chief Executive Officer to control access to air operation areas in accordance with the Airport Security Program required by CFR Sections 1500

through 1550.

17.7.2 In addition to the foregoing, gates and doors controlled or used by Contractor which permit entry into restricted areas at the Airport shall be kept locked by Contractor at all times when not in use or under Contractor's constant security surveillance. Gate or door malfunctions which permit unauthorized entry into restricted areas shall be reported to City's Operations Bureau without delay and shall be maintained under constant surveillance by Contractor until repairs are affected by Contractor or City and/or the gate or door is properly secured.

17.7.3 Contractor shall cooperate with City to maintain and improve Airport security, and shall cooperate in investigations of violations of state and local laws, ordinances, and rules and regulations, of any federal, state and/or local governmental entity regarding airport and airfield security. Contractor shall provide necessary assistance to, and cooperate with, City in case of any emergency. Contractor shall, upon request, provide City relevant information which will enable City to provide efficient and effective management in response to any airport or airfield emergency.

17.7.4 All civil penalties levied by the TSA for violation of TSA regulations pertaining to security gates or doors controlled or used by Contractor shall be the sole responsibility of Contractor. Contractor agrees to indemnify City for any federal civil penalty amounts City must pay due to any security violation arising from the breach of any obligation imposed by this Section. Contractor is also responsible for City's attorney's fees and costs.

17.7 Nondiscrimination and Equal Employment Practices/Affirmative Action Program.

17.8.1 Federal Non-Discrimination Provisions.

17.8.1.1 Contractor for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on said property described in this Agreement, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Contractor shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. [USE GUIDE, Paragraph I].

17.8.1.2 Contractor for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant 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, (3) that Contractor shall use the Airport in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. [USE GUIDE, Paragraph I].

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

Contractor or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. [USE GUIDE, paragraph I]

17.8.1.4 Contractor shall furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. [USE GUIDE, paragraph 1 1]

17.8.1.5 Contractor agrees that it shall insert the provisions found in Subsections 17.8.1.3 and 17.8.1.4 above in any assignment, transfer, contract or sub-contract by which said Contractor grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Airport.

#### 17.8.2 Municipal Non-Discrimination Provisions.

17.8.2.1 Non-Discrimination In Use Of Airport. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, gender identity, gender expression, physical handicap, marital status, domestic partner status, or medical condition in the Agreement, transfer, use, occupancy, tenure, or enjoyment of the Airport or any operations or activities conducted on the Airport. Nor shall Contractor or any person claiming under or through Contractor establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, or vendees of the Airport. Any assignment or transfer which may be permitted under this Agreement shall also be subject to all non-discrimination clauses contained in Section 17.8.

17.8.2.2 Non-Discrimination In Employment. During the term of this Agreement, Contractor agrees and obligates itself in the performance of this Agreement not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, gender identity, gender expression, age, physical handicap, marital status, domestic partner status, or medical condition. Contractor shall take affirmative action to insure that applicants for employment are treated, during the term of this Agreement, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections I 0.8, et seq., or any successor ordinances or law concerned with discrimination.

17.8.2.3 Equal Employment Practices. If the total payments made to City under this Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Agreement, Contractor agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as **Exhibit F - Equal Employment Practices**. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Contractor to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Contractor. Upon a finding duly made that Contractor has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may

be forthwith terminated, cancelled or suspended.

17.8.2.4 **Affirmative Action Program.** If the total payments to City under this Agreement are One Hundred Thousand Dollars (\$100,000) or more, this provision shall apply. During the performance of this Agreement, Contractor agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), which is incorporated herein by this reference. A copy of Section 10.8.4 has been attached to this Agreement for the convenience of the parties as **Exhibit G - Affirmative Action Program** ". By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Contractor to comply with the Affirmative Action Program provisions of this Agreement may be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Contractor. Upon a finding duly made that Contractor has failed to comply with the Affirmative Action Program provisions of this Agreement, this Agreement may be terminated, cancelled or suspended.

17.8 **Waiver of Claims.** Contractor hereby waives any Claim against City and City Agents for damages or losses (including loss of anticipated profits) caused by any suit or proceeding directly or indirectly attacking the validity of this Agreement or the validity of Contractor's proposal, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable, or delaying the same, or any part hereof, from being carried out.

17.9 **Living Wage and Service Contract Worker Retention Requirements.**

17.10.1.1 **Living Wage Ordinance.**

17.10.1.1 **General Provisions: Living Wage Policy.** This Agreement is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code, a copy which is attached as **Exhibit H - Living Wage Ordinance** and is incorporated herein by this reference. The LWO requires that, unless specific exemptions apply, any employees of service contractors who render services that involve an expenditure in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months are covered by the LWO if any of the following applies: (1) at least some of the services are rendered by employees whose work site is on property owned by City, (2) the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Contractor shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Contractor shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Contractor agrees to comply with federal law prohibiting retaliation for union organizing.

17.10.1.2 **Living Wage Coverage Determination.** An initial determination has been made that this is a service contract under the LWO, and that it is not exempt from coverage by the LWO. Determinations as to whether this Agreement is a service contract covered by the

LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Contractor in writing about any redetermination by City of coverage or exemption status. To the extent Contractor claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Contractor to prove such non-coverage or exemption.

17.10.1.3 Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If Contractor is not initially exempt from the LWO, Contractor shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates effective on the Effective Date of this Agreement, and the execution of any required documents. If Contractor is initially exempt from the LWO, but later no longer qualifies for any exemption, Contractor shall, at such time as Contractor is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Agreement and City shall be entitled to terminate this Agreement and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Contractor violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Agreement. Nothing in this Agreement shall be construed to extend the time periods or limit the remedies provided in the LWO.

17.10.1.4 Subcontractor Compliance. Contractor agrees to include in every subcontract involving this Agreement entered into between Contractor and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the LWO and the Service Contractor Worker Retention Ordinance with respect to this Agreement; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the subcontractor with the provisions of either the LWO or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the LWO and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to this Agreement, and (ii) invoke, directly against the subcontractor with respect to this Agreement, all the rights and remedies available to City under Section 10.37.5 of the LWO and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

17.10.1.5 Changes to Living Wage Ordinance. In the event that, subsequent to the Execution Date, (a) either (i) the City of Los Angeles Living Wage Ordinance (Los Angeles Administrative Code Section 10.37 et seq.) is amended to increase either the applicable wage under Code Section 10.37.2(a)(2) or the minimum health care benefit contribution under Code Section 10.37.3(a) as applicable to the Airport, (ii) the City of Los Angeles enacts a new ordinance the effect of which is to increase either the applicable wage under Code Section 10.37.2(a)(2) (in effect as of the Execution Date) or the minimum health care benefit contribution under Code Section 10.37.3, or (iii) any changes to Local, State, or Federal laws that increase the minimum wage or benefits required to be paid under this Agreement (a) as applicable to the Airport and (b) as a result thereof Operator is required to incur corresponding increases in the applicable wage and/or health care benefit contribution payable to Operator's hourly (non-salaried) personnel providing services pursuant to this Agreement, then City agrees to adjust the hourly billing rates set forth in Section 1.1.3 of the Scope of Services by the corresponding amount with respect to such hourly (non-salaried personnel) of Operator receiving such required increase in wage and/or minimum health care benefit contribution pursuant to such amended or newly enacted

ordinance.

17.10.2 Service Contract Worker Retention Ordinance. This Agreement may be subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code), which is incorporated herein by this reference. A copy of Section 10.36 has been attached hereto for the convenience of the parties as **Exhibit I - Service Contract Worker Retention Ordinance**. If applicable, Contractor must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

#### 17.10 Equal Benefits Ordinance.

17.11.1 Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance ("EBO"), Contractor certifies and represents that Contractor will comply with the applicable provisions of EBO Section I 0.8.2.1 of the Los Angeles Administrative Code, as amended from time to time. Contractor shall not, in any of its operations within the City of Los Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) 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. As used above, the term "Non-ERISA Benefits" shall mean any and all benefits payable through benefit arrangements generally available to Contractor's employees which are neither "employee welfare benefit plans" nor "employee pension plans", as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by Contractor to its employees, the spouses of its employees or the domestic partners of its employees, that are not defined as "employee welfare benefit plans" or "employee pension benefit plans", and, which include any bereavement leave, family and medical leave, and travel discounts provided by Contractor to its employees, their spouses and the domestic partners of employees.

17.11.2 Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the term of an operating agreement with the City of Los Angeles, the Contractor will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-2625."

17.11.3 The failure of Contractor to comply with the EBO will be deemed to be a material breach of the Agreement by City. If Contractor fails to comply with the EBO, the City may cancel or terminate the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach. Failure to comply with the EBO may be used as evidence against Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance. If City

determines that Contractor has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the Agreement.

17.11 First Source Hiring Program For Airport Employers. Contractor shall comply with the provisions of the First Source Hiring Program adopted by the Board. The rules, regulations, requirements, and penalties of the First Source Hiring Program are attached as **Exhibit J - First Source Hiring Program** and made a material term of this Agreement. Contractor shall be an "Airport Employer" under the First Source Hiring Program.

17.12 Contractor Responsibility Program. Contractor shall comply with the provisions of the Contractor Responsibility Program adopted by the Board. The Executive Directives setting forth the rules, regulations, requirements and penalties of the Contractor Responsibility Program and the Pledge of Compliance Form is attached hereto as **Exhibit K - Contractor Responsibility Program and the Pledge of Compliance Form** and incorporated herein by reference.

17.13 Laws, Rules and Regulations.

17.14.1 Contractor shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state and/or local government authority.

17.14.2 Contractor shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the Chief Executive Officer which are now in force or which may be hereafter adopted by the Board and/or the Chief Executive Officer with respect to the operation of the Airport, including, but not limited to, the Los Angeles International Airport Rules and Regulations.

17.14.3 Notwithstanding requirements of this Agreement, Contractor shall be responsible for ensuring that all Contractors of motor vehicles operated on Contractor's behalf possess current, valid, and appropriate driver's licenses.

17.14.4 If applicable, Contractor shall be responsible for requesting in writing City-issued identification ("ID") badges for all employees who will have access to the Security Identification Display Areas on the Airport, as designated in the Airport's security program. Each employee must complete the Transportation Security Administration ("TSA") mandated training program before an ID badge is issued. As part of the badging process, City will conduct background investigations, including fingerprinting of Contractor's employee badge applicants. Contractor shall assist City as necessary to facilitate the badging process. Contractor shall be responsible for the immediate reporting of all lost or stolen TD badges and the immediate return of the ID badges of all personnel transferred from Airport assignments or terminated from the employ of the Contractor or upon termination of this Agreement. In addition, Contractor shall pay, or cause to be paid, to City such charges, as may be established from time to time, for the acquisition of ID badges, for lost or stolen ID badges, and for those badges not returned to City in accordance with this Section. City shall also have the right to audit Contractor's compliance with security and ID badge rules and regulations.

17.14.5 Contractor shall be solely responsible for any and all civil and/or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, ordinances, statutes, laws, orders, directives and/or conditions.

17.14 Business Tax Registration. Contractor represents that it has registered its business with the Office of Finance of the City of Los Angeles and has obtained and presently holds from that office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by City's Business Tax Ordinance (Article 1 , Chapter 2, Sections 21.00 and following, of City's Municipal Code). Contractor shall maintain, or obtain as necessary, all such certificates

required of it under said ordinance and shall not allow any such certificate to be revoked or suspended during the term hereof.

17.15 Alternative Fuel Vehicle Requirement Program. Contractor shall comply with the provisions of the Alternative Fuel Vehicle Requirement Program. The rules, regulations and requirements of the Alternative Fuel Vehicle Program are attached as **Exhibit L - LAX Alternative Fuel Vehicle Program** and made a material term of this Agreement.

17.16 Disabled Access.

17.17.1 Contractor shall be solely responsible for fully complying with any and all applicable present and/future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, including any services, programs, improvements or activities provided by Contractor. Contractor shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Contractor's noncompliance. Further, Contractor agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

17.17.2 Should Contractor fail to comply with Section 17.17.1, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Contractor will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

17.17 Child Support Orders. This Agreement is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. A copy of section 10.10 has been attached hereto for the convenience of the parties as **Exhibit M - Child Support Orders**. Pursuant to this Section, Contractor (and any subcontractor of Contractor providing services to City under this Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for Contractor's or Contractor's subcontractor's employees applicable to Child Support Assignments Orders; (2) certify that the principal owner(s) of Contractor and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Agreement. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Contractor or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Agreement subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by City (in lieu of any time for cure provided elsewhere in this Agreement).

17.18 Waiver. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition. The subsequent acceptance of any payment hereunder by City shall not be deemed to be a waiver of any preceding breach by Contractor of any term, covenant, or condition of this Agreement, regardless of City's knowledge of such preceding breach at the time of acceptance of such payment.

17.19 City's Right to Contract With Others Regarding Agreement Rights. The rights granted hereunder by this Agreement are not exclusive in nature, and City specifically reserves the right to enter into similar additional agreements at the Airport, at any time.

17.20 Compliance with Los Angeles City Charter Section 470(c)(12).

17.21.1 Contractor, its subcontractors and their respective principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$ 100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to the City as specified by law. Any contractor subject to Charter Section 470(c)( 12) shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

"Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)( 12) and related ordinances, you are subcontractor on City of Los Angeles contract # . Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the twelve (12) month time period. Subcontractor's information included ust be provided to contractor within five (5) business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213-978-1960."

17.21.2 Contractor, its subcontractors and their respective principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

17.21 Fair Meaning. The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either City or Contractor.

17.22 Section Headings. The section headings appearing herein are for the convenience of City and Contractor, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Agreement.

17.23 Void Provisions. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement, and all such other provisions shall remain in full force and effect.

17.24 Two Constructions. It is the intention of the parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

17.25 Laws of California. This Agreement shall be construed and enforced in accordance with the laws of the State of California and venue shall lie in the appropriate court located in Los Angeles County, California.

17.26 Gender. The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

17.27 Time. Time shall be of the essence in complying with the terms, conditions, and provisions of this Agreement.

17.28 Integration Clause. It is understood that no alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement, not incorporated herein in writing, shall be binding on any of the parties hereto. This Agreement supersedes the RFP and Contractor's proposal in response to the RFP; except to the extent (if any) that this Agreement expressly makes reference to any provisions of the RFP or Contractor's proposal as being incorporated herein by such reference. In the event that any provisions of the RFP or Contractor's proposal are expressly referenced in this Agreement as being incorporated herein by such reference, then in the event of a conflict between such incorporated provisions and the other terms of this Agreement, the other terms of this Agreement shall control.

17.29 Force Majeure. Except as otherwise provided in this Agreement, whenever a day is established in this Agreement on which, or a period of time, including a reasonable period of time, is designated within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof may be extended by a period of time equal to the number of days on or during which such party is prevented from the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, disruption of service or brownouts from utilities not due to action or inaction of City, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted) (herein, an event of "Force Majeure"); provided, however, that nothing contained in this Section shall excuse Contractor from the prompt payment or remittance of any Gross Revenue, compensation, fees or other monetary charge required to be paid or remitted by Contractor hereunder. If Contractor shall claim a delay due to Force Majeure, Contractor must notify City in writing within three (3) business days of the first occurrence of any claimed event of Force Majeure. Such notice must specify in reasonable detail the cause or basis for claiming Force Majeure and the anticipated delay in Contractor's performance to the extent such anticipated delay is known to Contractor at the time such notice to City is required. If Contractor fails to provide such notice within said three (3) business day period, then no Force Majeure delay shall be deemed to have occurred. Delays due to events of Force Majeure shall only be recognized to the extent that such event actually delays the performance by such party and cannot otherwise be mitigated using commercially reasonable efforts.

17.30 City Approvals. Following the execution and delivery of this Agreement, whenever this Agreement calls for a matter to be approved or disapproved by or on behalf of City, then the written approval, disapproval, or consent of the Chief Executive Officer within the legal authority of the Chief Executive Officer, subject to the approval of the Office of the City Attorney as to form, shall constitute the approval, disapproval, or consent of City; provided, however, if the approval or consent by City is in excess of the Chief Executive Officer's legal authority, then such matter shall be approved by the Board. Except as otherwise expressly set forth in this Agreement, with respect to any matter that is subject to the approval or consent of the Chief Executive Officer or the Board, such approval or consent may be given or withheld in the Chief Executive Officer's or the Board's sole and absolute discretion. Any approvals or consents required from or given by City under this Agreement shall be approvals of the City of Los Angeles Department of Airports acting as the owner and Contractor of the Airport, and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the rights or prerogatives of the City of Los Angeles as a government, including the right to grant or deny any permits required for construction or maintenance of the Facilities and the right to enact, amend or repeal laws and ordinances, including, without limitation, those relating to zoning, land use, and building and safety. No approval or consent on behalf of City will be deemed binding upon City unless approved in writing as to form by the City Attorney.

17.31 Ordinance and Los Angeles Administrative Code Language Governs. Ordinance

and code exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the applicable ordinance and/or code language, or amendments thereto, the language of the ordinance and/or code shall govern.

17.32 Amendments to Ordinances and Codes. The obligation to comply with any ordinances and codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those ordinances and codes during the term of this Agreement.

17.33 Days. Unless otherwise specified, "days" shall mean calendar days.

17.34 Deprivation of Contractor's Rights. City shall not be liable to Contractor for any diminution or deprivation of Contractor's rights under this Agreement which may result from Contractor's obligation to comply with any and all applicable laws, rules, regulations, restrictions, ordinances, statutes, and/or orders of any federal, state and/or local government authority and/or court hereunder on account of the exercise of any such authority as is provided in this Section, nor shall Contractor be entitled to terminate the whole or any portion of the Agreement by reason thereof.

17.35 Representations of Contractor. Contractor hereby makes the following representations and warranties, each of which is material and being relied upon by City, is true in all respects as of the date of this Agreement, and shall survive the expiration or termination of the Agreement. Contractor shall re-certify such representations to City periodically, upon City's written request.

17.36.1 Contractor is duly organized, validly existing and in good standing under the laws of the state of its organization, and is qualified to do business in the state of California, and the persons executing this Agreement on behalf of Contractor have the full right and authority to execute this Agreement on behalf of Contractor and to bind Contractor without the consent or approval of any other person or entity. Contractor has full power, capacity, authority and legal right to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement is a legal, valid and binding obligation of Contractor, enforceable in accordance with its terms.

17.36.2 Contractor represents as of the date of this Agreement that the representations and warranties of Contractor contained in Contractor's proposal and in any financial statement or other materials provided by Contractor are true, correct and complete, and shall be deemed restated in full in this Agreement.

17.36 Parties In Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than City and Contractor, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement.

17.37 Municipal Lobbying Ordinance. Contractor shall comply with the provisions of the City of Los Angeles Municipal Lobbying Ordinance, Municipal Code Section 48.01 et seq., as amended.

17.38 Anti-trust Claims. Contractor understands that it may be subject to California Government Code Sections 4550-4554. If applicable, the Contractor offers and agrees that it will assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act or under the Cartwright Act, arising from purchases of goods, services, or materials by the Contractor. Such assignment is made and becomes effective at the time the City tenders final payment to the Contractor.

17.39 Guaranty. Concurrently with the execution of this Agreement, ABM Industries

Incorporated, a Delaware corporation, shall execute and deliver to City an unconditional guaranty of the obligations of Contractor under this Agreement in the form of the Guaranty attached to this Agreement as **Exhibit N - Guaranty**.

17.41 Electronic Signature. This Contract and any other document necessary for the consummation of the transaction contemplated by this Contract may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Contract and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Contract had been delivered that had been signed using a handwritten signature. All parties to this Contract (i) agree that an electronic signature, whether digital or encrypted, of a party to this Contract is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Contract based on the foregoing forms of signature. If this Contract has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, City has caused this Agreement to be executed by the Chief Executive Officer as of the date first set forth above.

**CITY OF LOS ANGELES**

By \_\_\_\_\_  
Chief Executive Officer  
Department of Airports

ATTEST:

**ABM AVIATION, INC.**

By Noah Becker  
Noah Becker (Sep 10, 2021 10:30 EDT)  
Signature

By D Scott Hutchison  
Signature

Noah Becker  
Print Name

D Scott Hutchison  
Print Name

Assistant Secretary  
Print Title

Senior Vice President, Operations  
Print Title

APPROVED AS TO FORM  
Michael N. Feuer, City Attorney

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Tatiana Starostina  
Chief Financial Officer  
Department of Airports

By: Nichole A. Kelso  
Nichole A. Kelso (Sep 16, 2021 11:19 PDT)  
Assistant/Deputy City Attorney

Date \_\_\_\_\_