

AGREEMENT NO. _____

OPERATING AGREEMENT BETWEEN
THE CITY OF LOS ANGELES AND
PARKING CONCEPTS, INC.

THIS AGREEMENT ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board") and PARKING CONCEPTS, INC., a California corporation, 1801 S. Georgia Street, Los Angeles, CA 90015 ("Operator" or "PCI").

WHEREAS, City requires the professional, expert and technical services of Operator on a temporary or occasional basis to assist the City in managing, operating and maintaining the parking facilities serving the World Cruise Center, Catalina Sea & Air Terminal, and USS Iowa (collectively, "Parking Facilities"), designated as Parcels 1 and 2, measuring a total of approximately 25 acres and delineated on attached Preliminary Exhibit A ("Premises"), including all structures owned by or under the control of the Board which are within said Premises. (A Harbor Engineer's drawing, to be designated as Exhibit A, shall be substituted for Preliminary Exhibit A when available. Premises may be changed and modified by agreement between the Executive Director and Operator without further action or approval by the Board. Upon such change, Exhibit A shall be revised and marked as Exhibits A-1, A-2, and so on, and the current Premises map shall be immediately substituted and incorporated herein.); and

WHEREAS, City requires the professional, expert and technical services of Operator on a temporary or occasional basis to assist the City in managing, operating and maintaining the Parking Facilities for use as a location site for commercial filming or special events by for-profit companies or non-profit agencies, all of whom are required to secure Harbor Department approval, prior to such filming or events; and

WHEREAS, Operator possesses extensive experience in managing, operating and maintaining facilities similar to the Premises, and, in fact, has managed, operated and maintained the Premises for several years; and

WHEREAS, Operator, by virtue of training and experience, is well qualified to provide such services to City; and

WHEREAS, City does not employ personnel with the required expertise nor is it feasible to do so on a temporary or occasional basis;

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NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I. SERVICES TO BE PERFORMED BY OPERATOR

A. Operator's required responsibilities and tasks with regard to the management, operation and maintenance of the parking facilities at the Premises are fully detailed on Exhibit B, which was part of the Request for Proposals ("Scope of Work"). Under Section 2.4(a), Operator's Responsibilities and Tasks, Miscellaneous Services, Operator shall also provide such service on Offsite Parking Lots, or any other parking area designated by the City's Harbor Department. PCI's proposed Management Operations Plans, which include levels and standards of service, will be incorporated as Exhibit C.

B. Operator, at its sole cost and expense, shall furnish all services, materials, equipment, subsistence, transportation and all other items necessary to perform the Scope of Work. As between City and Operator, Operator is solely responsible for any taxes or fees which may be assessed against it or its employees resulting from performance of the Scope of Work, whether social security, payroll or other, and regardless of whether assessed by the federal government, any state, the City, or any other governmental entity.

C. Operator acknowledges and agrees that it lacks authority to perform any services outside the Scope of Work. Operator and City acknowledge and agree that Operator is not obligated to perform any services outside the Scope of Work and any services performed outside the Scope of Work are performed as a volunteer and shall not be compensable by the City under this Agreement.

D. The Scope of Work shall be performed by personnel qualified and competent as determined at the sole discretion of the Executive Director or his or her designee ("Executive Director"), whether performance is undertaken by Operator or third-parties with whom Operator has contracted ("Suboperators"). Obligations of this Agreement, whether undertaken by Operator or Suboperators, are and shall be the responsibility of Operator. Operator acknowledges and agrees that this Agreement creates no rights in Suboperators with respect to City and that obligations that may be owed to Suboperators, including, but not limited to the obligation to pay Suboperators for services performed, are those of Operator alone. Upon Executive Director's written request, Operator shall supply City's Harbor Department ("Department") with all agreements between it and its Suboperators.

E. This Agreement is subject to each and every of the rates, terms and conditions of Tariff No. 4 of City's Harbor Department as it now exists or may be amended or superseded ("Tariff"). Operator represents and warrants that it has received, read and understands the rates, terms and conditions of Tariff and covenants that, at all times during the term of this Agreement, it shall maintain a complete and current Tariff at the address set forth above. Except as otherwise set forth in this Agreement, Operator is contractually bound by all Tariff rates, terms and conditions as if

the same were set forth in full herein. City in its sole and absolute discretion shall determine if a conflict exists between a provision of this Agreement and a Tariff provision. In the event of such conflict, this Agreement shall at all times prevail.

F. Operator has agreed to provide the improvements to Parking Facilities as generally indicated in Exhibit D, within 6 months after execution of this Agreement, and will:

1. Develop a timeline for construction and completion;
2. Develop an amortization schedule for a period of five (5) years, starting on completion of agreed upon improvements, not including shuttle buses; and
3. Upon finalization of all improvements, timelines and amortization schedule, all arrangements shall be indicated in Exhibit D-1, and incorporated into this Agreement by this reference.

(1) Commencement

Operator shall exercise all diligence necessary to complete the installation of all new operating equipment required pursuant to Section I of this Agreement as soon as feasible. Operator shall notify Executive Director in writing and shall obtain his approval of the proposed schedule and other improvements, including change of grade, provided for herein, shall, at a minimum, be commenced within ninety (90) days of the effective date of this Agreement, and shall be prosecuted diligently to completion; provided, however, that Operator shall not be in default of its obligations under this subsection (1) in those instances where a permit is required from the California Coastal Commission or Regional Commission or their successors, and commencement of construction is delayed by reason of the failure of either Commission to issue the necessary permit, so long as Operator diligently pursues its application for such permit. The obtaining of this and other necessary permits shall not be a condition precedent to the payment of rent required under this Agreement.

(2) Costs/Expenses of Demolition/Removal

Operator shall be responsible and pay all costs and expenses associated with any demolition and removal of existing parking lot equipment, as necessary to the installation of new equipment required under Exhibit D of this Agreement.

(3) Approval of Plans

Operator shall not construct or alter any works, structures, or other improvements upon the Premises, including a change in the grade thereof, without first submitting to Harbor Engineer a complete set of drawings, plans, and specifications, and obtaining his approval. Harbor Engineer shall have the right to order changes in said

drawings, plans and specification; provided, that no changes shall be made that would cause the total cost of such works, structures or improvements to exceed the original estimated cost by more than ten percent (10%). In the event that Harbor Engineer orders such a change, and Operator believes that such a change will have any detrimental effect on the structural integrity of the works, structures or improvements, or increase any hazard to life or property, Operator shall immediately notify him. In the event that Operator fails to do so, the drawings, plans and specifications shall be treated, for all purposes, as if they had been originally prepared by Operator, as changed.

(4) Compliance with Applicable Laws

Every work, structure or improvement constructed, or alteration or change of grade made by Operator, shall conform with the plans and specifications as provided by Harbor Engineer, and shall conform, in all respects, to the applicable federal, state, regional, and local laws, statutes, ordinances, rules and regulations. The approval of Harbor Engineer given as provided in this Article I, Section F, shall not constitute a representation or warranty as to such conformity.

(5) Cost of Permits

Operator, at its own expense, shall obtain all permits necessary for such construction, and shall require, by contract, that its construction contractors and subcontractors comply with all applicable federal, state, regional and local statutes, ordinances, rules and regulations.

(6) Cost of Construction

All construction by Operator pursuant to this Article I, Section F shall be at Operator's sole expense. Operator shall keep the Premises and improvements constructed free and clear of liens for labor and materials, and shall hold City harmless from any responsibility in respect thereto.

(7) Notices

Operator shall give written notice to Harbor Engineer, in advance, of the date it will commence any construction. Immediately upon the completion of the construction, Operator shall notify Harbor Engineer of the date of such completion and shall, within thirty (30) days after such completion, file with him a statement, verified by the oath of Operator or its duly authorized representative, setting forth the cost of the labor and material used. Operator shall also file with Harbor Engineer, in a form acceptable to Harbor Engineer, a set of "as built" plans for such construction.

(8) Ownership of Certain Improvements

All new operating equipment, including cashier books, concrete islands and all other equipment, which Operator is required to install and maintain pursuant to Section I of this Agreement, shall become the property of City, free and clear of any encumbrance, as of the date this Agreement shall terminate, provided, however, that City shall retain the option, at its sole discretion, to require that all such equipment installed by Operator pursuant to Section I be removed and disposed of at Operator's expense upon termination of this Agreement. All other improvements, works and structures made or erected by Operator upon the Premises shall be and remain the property of Operator, subject to the terms and conditions contained herein.

II. SERVICES TO BE PERFORMED BY CITY

City shall furnish Operator, upon its request, all documents and papers in possession of City which may lawfully be supplied to Operator and which are necessary for it to perform its obligations.

The Executive Director or his or her designee is designated as the contract administrator for City and shall also decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the interpretation of instructions to Operator and the acceptable completion of this Agreement and the amount of compensation due. Notwithstanding the preceding, the termination of this Agreement shall be governed by the provisions of Article VII (Early Termination) hereof.

City shall provide Operator with reasonable advance written notice if it requires services for locations other than the Parking Facilities. Subsequent access rights, if any, shall be granted to Operator at the sole reasonable discretion of Executive Director, specifying conditions Operator must satisfy in connection with such access. Operator acknowledges that such areas may be occupied or used by tenants or contractors of City and that access rights granted by Department to Operator shall be consistent with any such occupancy or use.

City shall have the right to make changes to and within the Parking Facilities and overflow facilities, if any, or any portion thereof, including, without limitation, changes in the location, nature, size, configuration and number of improvements and facilities. City shall provide Operator notice of any such changes 30 days prior to the changes taking effect.

City shall be responsible for the following:

- (a) Maintenance of fire/life safety, electrical and plumbing for Parking Facilities;
- (b) Structural repair and structural maintenance of the Parking Facilities, including re-pavement, striping and painting (but not signage or

installation of signs and parking lot accessories), lighting, asphalt repair, seal coating and crack sealing, concrete repair and any other repair or improvements to the integrity of all structures and paved surfaces owned by the City.

III. MAINTENANCE AND RESTORATION

A. Maintenance. The maintenance obligations of the parties are as follows:

(1) Maintenance Performed by City at City's Expense (Except as Noted)

Except as provided in subsections A(2), A(3), A(6), and A(7), City will maintain, at its expense, the roofs and exteriors and structural integrity of all structures, paved surfaces and buildings owned by City. City will maintain and repair, at its expense, all fire protection sprinkler systems, fire hydrant systems, standpipe systems, fire alarm systems, and other fire protective or extinguishing systems or appliances (portable fire extinguishers and hoses excluded) which have been or may be installed in buildings or structures City owns on the Premises. City shall also perform, at its expense, all electrical substation and switchgear preventive maintenance in these buildings.

(2) Maintenance Performed by Operator at Its Expense

Operator shall be responsible for performing and paying for all maintenance and repairs not expressly covered above, including, but not limited to, all expense for the maintenance and repair of the operating equipment which Operator is required to install pursuant to Section I of this Agreement. Operator shall be responsible, at its expense, for inspecting and assuring that all necessary portable fire extinguishers are present on the Premises and maintained in an operable condition. Notwithstanding subsection (1) above, all modifications or repairs to the electrical, plumbing or mechanical systems resulting from "call outs" (Operator-requested repairs requested on weekend, holidays or other than 6:45a-4:15p, Monday-Friday, or such other times as City adopts as its maintenance force work hours) are at Operator's expense. Operator shall also be responsible, at its expense, for inspecting the Premises and keeping the Premises (including, but not limited to, all paving landscaping, irrigation systems, fencing, signage and striping, if any, and relamping), and all works, structures and improvements thereof, whether a part of the Premises or placed by Operator in a safe, clean, sanitary and sightly condition. All maintenance performed by Operator shall assure the Premises are maintained in a first-class operating condition and in conformance with all applicable federal, state, regional, municipal and other laws and regulations. The appearance, safety and operational capability of the Premises shall be maintained to the satisfaction of the Executive Director. Operator shall make all efforts necessary to immediately discovery and guard against any defects in all surfaces of paving, buildings, structures and improvements on

the Premises without request from City. Operator shall also completely maintain, at its expense, all buildings, structures, improvements, and paving it erects, owns, or installs. All modifications and repairs which Operator makes to City-owned or Operator-owned buildings, structures, improvements and paving require a Harbor Department Engineering permit. Sample permits are available upon request from the Harbor Engineer. Operator agrees to strictly comply with all the terms and conditions of the Harbor Engineer's permit. Operator shall maintain, in its offices at the Premises at all times, the Harbor Engineer's permit allowing the work performed and proof that the work has been performed in accordance with all terms and conditions of the permit. Modifications and repairs shall be made in a first-class manner using materials of a kind and quality comparable to the items being replaced (in-kind replacement shall be utilized if material still manufactured). Operator is obligated, at its expense, to take such preventive and remedial maintenance actions as are necessary to assure that Premises are at all times safe and suitable for use, regardless of whether Operator is itself actively using all of the Premises. Operator shall provide notice to the Director of Port Construction and Maintenance and Chief Harbor Engineer, Construction, five (5) calendar days before any paving work is performed, provided, however, Operator shall immediately repair any condition creating a risk of harm to any user of the Premises. All materials used and quality of workmanship shall be satisfactory to the Chief Harbor Engineer, Construction.

(3) Operator's Responsibility for Damage

Notwithstanding the foregoing, if damage to any building, structure, improvement or surface area is caused by the acts or failure to act of Operator, its officers, agents, employees or its invitees (including, but not limited to, customers of Operator and contractors retained by Operator to perform work on the Premises - hereinafter collectively "invitees"), Operator shall be responsible for all costs, direct or indirect, associated with repairing the damage, and the City shall have the option of requiring Operator to make the repairs or, itself, make the repairs. If City makes the repairs, Operator agrees to reimburse City for the City's cost of repair. All damage shall be presumed to be the responsibility of Operator, and Operator agrees to be responsible for such damage unless Operator can demonstrate to the satisfaction of City that someone other than its officers, agents, employees, or invitees caused the damage.

(4) City's Option to Perform Work at Operator's Expense

If Operator fails to repair, maintain and keep the Premises and improvements as above required, Executive Director may give thirty (30) days' written notice to Operator to correct such default, except that no notice shall be required where, in the opinion of Executive Director, the failure creates a hazard to persons or property. If Operator fails to cure such default within the time specified in such notice, or if Executive Director determines that a hazard to persons or property exists due to such failure, Executive Director may, but is not required to, enter upon the Premises and cause such repair or maintenance to be made, and the costs thereof, including labor,

materials, equipment and administrative overhead, will be charged against Operator. Such charges shall be due and payable with the next rent payment. During all such times, the duty shall be on Operator to assure the Premises are safe and Operator shall erect barricades and warning signs to assure workers and the public are protected from any unsafe condition. None of the City's remedies described above shall preclude City from terminating this Agreement if City is not satisfied with Operator's compliance with the maintenance provisions of this Agreement.

(5) Inspection of Premises and Operator Repairs

Operator shall be responsible for inspecting the Premises (including all surfaces of timber decking, paving, structures, buildings and improvements), and, at all times maintaining the Premises in a safe condition. Executive Director and/or his representative shall have the right to enter upon the Premises and improvements constructed by Operator at all reasonable times for the purpose of determining compliance with the terms and condition of this Agreement, or for any other purpose incidental to the rights of City. This right of inspection imposes no obligation upon City to make inspections, nor liability for failure to make such inspections. By reserving the right of inspection, City assumes no responsibility or liability for loss or damages to the property of Operator or property under the control of Operator, whether caused by fire, water, or other causes. If City requests drawings and/or specifications showing the location and nature of repairs to be made or previously made by Operator (including by its invitees), Operator agrees to provide to City the material requested in writing within ten (10) calendar days of request by City.

(6) City's Access to Maintain and Repair Premises

If City deems it necessary to maintain or repair the Premises, Operator shall cooperate fully with City to assure that the work can be performed timely and during City's normal working hours. If City is required to perform any work outside its normal working hours, even work which would otherwise be at City's expense, the entire cost of such work shall be at Operator's expense.

(7) Maintenance/Repair Obligations Dependent on Indemnity /Insurance Provisions

City's agreement to perform certain repairs and to pay for certain repairs is expressly conditioned on the indemnity and insurance provisions of this Agreement remaining in force and effect. If Operator fails to comply with the indemnity and insurance provisions, or if these provisions are ever deemed not applicable, then Operator shall be obligated to perform and pay for all maintenance and repairs to the Premises, without exception, at its own expense. Operator shall perform such maintenance and repairs only after it has secured the Harbor Engineer's General Permit. Such work shall be deemed completed only when all terms of the permit have been satisfied. If City inspects any work performed by Operator and finds it

unsatisfactory, Operator shall be obligated to correct the work to City's satisfaction at Operator's expense.

(8) Definition of City's Actual Costs

Whenever this Section requires Operator to reimburse City for the City's cost of maintenance, the City's cost of maintenance is agreed to include all direct and indirect costs which City incurs, whether with its own forces or with an independent contractor. These costs include salary and all other costs City incurs from its employees ("salary burden"), all material and equipment costs, including an administrative equipment handling charge, and, also, a general administrative overhead cost.

B. Restoration and Surrender of Premises.

(1) Restoration

Subject to the provisions of Section I.F.8 of this Agreement, on or before expiration of the term of this Agreement, or any sooner termination thereof, other than by forfeiture pursuant to Section VI and/or VII of this Agreement, Operator shall remove, at its sole cost and expense, all works, structures, improvements and pipelines of any kind, including paving (collectively referred to as "structures") placed on the Premises by Operator. If the Premises, at the time of Operator's occupancy, have been improved by a prior Operator or by both City and a prior Operator, then such structures which are left on the Premises at Operator's request or for Operator's benefit shall also be the responsibility of Operator, except as may be otherwise specified by this Agreement. Operator shall leave the Premises, including all structures constructed, owned or controlled by Operator, free from hazardous substance and hazardous waste contamination, including hazardous liquid bulk products and petroleum products (hereinafter collectively referred to in this Agreement as "hazardous material"), as those terms are defined under any federal, state, and/or local law or ordinance (hereinafter sometimes collectively referred to in this Agreement as "Law"), and leave the surface of the ground in a clean, level, graded and compacted condition with no excavations or holes resulting from structures removed. Upon the expiration of the term of this Agreement, or an sooner termination thereof, other than by forfeiture pursuant to Sections VI and/or VII of this Agreement, Operator shall quit and surrender possession of the Premises to Board, leaving all City improvements and City-owned improvements pursuant, to Section I.F.8 of this Agreement, in at least as good and usable a condition, acceptable to Executive Director, as the same were in at the time of the first occupation thereof by Operator under this or any prior agreement, lease or permit, ordinary wear and tear excepted. However, the exception for wear and tear shall not entitle Operator to damage paving installed by City or any unpaved areas regardless of the nature of Operator's operations on the Premises. If the condition of the Premises is upgraded during occupancy of the Premises, Operator agrees to be responsible for restoring the Premises to the upgraded condition. If City terminates this Agreement pursuant to

Sections VI and/or VII, Operator is also obligated to restore the Premises as provided above, or to pay the cost of restoration if City chooses to perform the work.

Operator understands and agrees it is responsible for complete restoration of the Premises, including the cleanup of any hazardous material contamination on or arising from the Premises, before the expiration or earlier termination of this Agreement pursuant to Sections VI and/or VII.

(2) Surety Bonds for Hazardous Material Cleanup

In addition to any other requirement to provide security under this Agreement, Operator also agrees to provide City a surety bond to assure removal of hazardous material if at any time City demands such bond. The bond required herein shall be in a form acceptable to the City Attorney, and the amounts shall be determined in the sole discretion of Executive Director after Operator has had the opportunity to provide its opinion as to the amount, supported by a detailed estimate of an independent contractor experienced in the demolition of improvements and/or in hazardous material cleanup and who has been in such business for at least three (3) years.

C. Hazardous Material.

(1) Use of Hazardous Material

Operator may not handle, use, store, transport, transfer, receive or dispose of, or allow to remain on the Premises (hereinafter sometimes collectively referred to as "handle"), any substance classified as hazardous material in such quantities as would require the reporting of such activity to any person or agency having jurisdiction thereof without first receiving written permission of the City. If Operator has handled material on the Premises classified by law as hazardous material [Operator's attention is particularly called to the Resource Conservation and Recovery Act of 1967 ("RCRA"), 42 U.S.C. §6901, et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. §9601, et seq.; the Clean Water Act, 33 U.S.C. §1251, et seq.; the Clean Air Act, 42 U.S.C. §7901, et seq.; California Health & Safety Code §25100, et seq., §25300, et seq., and §28740, et seq.; California Water Code §13000, et seq.; California Administrative Code, Title 22, Division 4, Chapter 30, Article 4; Title 49 CFR 172.101; Title 40 CFR Part 302, and any amendments to these provisions or successor provisions], and such material has contaminated or threatens to contaminate the Premises or adjacent premises (including structures, harbor waters, soil or groundwater), Operator, to the extent obligated by law and to the extent necessary to satisfy City, shall at its own expense perform soil and groundwater tests to determine the extent of such contamination, and shall immediately remediate any such material from the Premises. If in the determination of the Executive Director, such hazardous material cannot be remediated on site to the satisfaction of

City, Operator shall remove and properly dispose of all contaminated soil, material or groundwater and replace such soil or material with clean soil or material suitable to City.

If, during Operator's occupancy, hazardous materials are discovered on the Premises, or such materials have migrated to or threaten to contaminate adjacent premises (including structures, harbor waters, soil or groundwater), Operator shall immediately notify the City, and Operator, at its sole expense, shall perform such soil and groundwater testing as required by law and as City deems necessary, and take immediate steps to remediate the Premises to the satisfaction of City.

If Operator disposes of any soil, material or groundwater contaminated with hazardous material, Operator shall provide City copies of all records, including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of the method of transportation of the material to the disposal site, and the location of the disposal site. The name of the City of Los Angeles shall not appear on any manifest document as a generator of such material.

Any tests required of Operator by this Section shall be performed by a State of California Department of Health Services certified testing laboratory satisfactory to City. By signing this Agreement, Operator hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of its reports, test results, and data gathered. As used in this Section III.B, the term "Operator" includes agents, employees, contractors, subcontractors, and/or invitees of the Operator.

(2) Site Characterization

Within sixty (60) days of written notice by the Executive Director, Operator shall, at its expense, prepare and submit to City for its approval a complete site characterization plan to enable a determination of the extent of soil and groundwater contamination at the Premises. The plan shall include a detailed program for sampling and chemical analysis of the soil and groundwater and shall be in conformance with all applicable federal, state and local laws, regulations and guidelines. Provided Operator has delivered to City a complete site characterization plan, City shall use its best efforts to expeditiously approve or disapprove the plan. Operator shall forthwith commence investigation and testing of soil and groundwater in accordance with the plan, and shall provide to City the results of such investigation and tests as they become available, but in any event, the investigation and tests shall be completed and the results submitted to City within forty-five (45) days of notice of approval of the plan by City.

(3) Site Remediation

Upon written notice by the Executive Director, Operator shall, at its expense, prepare and submit to City for its approval, a feasible remediation action plan (including soil, harbor waters and groundwater remediation) for removal and monitoring

of hazardous material contamination discovered during site characterization and contamination which may occur after Operator has received City's approval of Operator's site characterization plan. The plan shall include a discussion of remedial action alternatives for restoration of the Premises and a timetable for each phase of restoration. The remedial action plan shall be in conformance with all applicable federal, state and local laws, regulations and guidelines. Provided Operator has delivered to City a complete site remediation action plan, City shall use its best efforts to approve or disapprove the plan in a timely manner. Operator shall provide additional information upon request of City if City deems the plan inadequate. Operator shall submit to City its remediation action plan for review no later than sixty (60) days after receiving City's written notice to prepare same. Upon approval of the site remediation action plan by City, Operator, at its sole expense, to the satisfaction of City, and in accordance with all applicable laws, shall take immediate steps to remediate all contamination and perform such soil and groundwater testing as City deems necessary to assure the Premises are free from contamination.

(4) Annual Disclosure

Within sixty (60) days of the effective date of this Agreement, and each year during the term thereof, as well as sixty (60) days before termination of this Agreement and upon sixty (60) days' prior written notice by City to Operator, Operator shall submit to City the names and amounts of all hazardous materials, or any combination thereof, which were stored, used or disposed of on the Premises during the previous year, or which Operator intends to store, use or dispose of on the Premises in the future.

D. Inspection of Premises. Executive Director and his duly authorized representative shall have the right to enter upon the Premises and improvements constructed by Operator at any and all reasonable times during the term of this Agreement for the purpose of determining compliance with its terms and conditions, or for any other purpose incidental to the rights of City. The right of inspection reserved hereunder shall impose no obligation upon City to make inspections to ascertain the condition of the Premises, and shall impose no liability upon City for failure to make such inspections. By reserving the right of inspection, City assumes no responsibility or liability for loss or damage to the property of Operator or property under the control of Operator, whether caused by fire, water or other causes. Nor does it assume responsibility for any shortages of cargo handled by Operator at the Premises.

E. Surety Bond for Restoration. Operator shall furnish to Board a cash deposit, certificate of deposit, or a surety bond acceptable to the City Attorney in the amount of NONE AT THIS TIME to guarantee the performance of the restoration requirements set forth above. Where, at any time, Executive Director becomes aware of facts which lead him to believe that the financial condition of Operator has substantially changed, such that Operator may not be able to meet its restoration obligation, Executive Director may increase the restoration bond requirement, and, where no restoration bond was initially required, Executive Director may require such a

bond. If any property of any kind on the Premises at the request of Operator, its officers, agents, employees, sublessees, licensees or invitees, including vessels, machinery or equipment, sinks in any channel or water area, regardless of fault of Operator, and Operator files to remove the property, vessel, machinery or equipment within ten (10) days at the request of City, Executive Director may require a restoration bond in the amount of the reasonable cost of removal as determined by Harbor Engineer.

F. Relocation of Business. Upon the expiration of the term of this Agreement, if no new agreement is entered into, Operator is obligated to relocate its business at its own expense and to vacate the Premises as provided for herein and no relocation expenses will be paid by City.

IV. LICENSE FEES AND TAXES

Operator shall pay all taxes and assessments of whatever character levied upon or charged against the interest of Operator, if any, created by this Agreement in the Premises or upon works, structures, improvements or other property thereof, or upon Operator's operations hereunder. Operator shall also pay all license and permit fees required for the conduct of its operations hereunder.

OPERATOR IS AWARE THAT THE GRANTING OF THIS AGREEMENT TO OPERATOR MAY CREATE A POSSESSORY PROPERTY INTEREST IN OPERATOR AND THAT OPERATOR MAY BE SUBJECT TO PAYMENT OF A POSSESSORY PROPERTY TAX IF SUCH AN INTEREST IS CREATED.

V. CITY OF LOS ANGELES PARKING OCCUPANCY TAX

Operator acknowledges that it is aware of the City of Los Angeles Parking Occupancy Tax Ordinance (Los Angeles Municipal Code, Chap. II, Art. 1.5, §21.5.1, et seq.), that is subject to the provisions of the said ordinance and that it shall comply with all terms and provisions of the said ordinance as presently in effect and as may be amended at any time hereafter. Operator shall be responsible for registering the parking facility operated upon these Premises with the City Clerk of the City of Los Angeles and obtaining a "Parking Occupancy Registration Certificate," which shall at all times be posted in a conspicuous place upon the Premises. Operator shall collect, report and remit the tax upon parking fees as required by the ordinance.

VI. EFFECTIVE DATE AND TERM OF AGREEMENT

A. Subject to the provisions of Charter Section 245, the effective date of this Agreement shall be the date of its execution by Executive Director upon authorization of the Board. Operator is aware that the City Council, pursuant to Charter Section 245 of the City of Los Angeles, has the right to review this Agreement.

Accordingly, in no event shall this Agreement become effective until the sixth Council meeting day after Board action or the City Council's approval of the Agreement.

B. This Agreement shall be in full force and effect commencing from the date of execution and shall continue until the earlier of the following occurs:

1. Five (5) years have lapsed from the effective date of this Agreement;

or

2. Ten (10) years have lapsed from the effective date of this Agreement, if the five (5) year renewal option is exercised;

or

3. The Board, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to Operator ninety (90) days' notice in writing of its election to cancel and terminate this Agreement.

VII. EARLY TERMINATION

The Board, in its sole discretion, shall have the right to terminate and cancel all or any part of this Agreement for any reason, upon giving Operator ninety (90) days' advance, written notice of the Board's election to cancel and terminate this Agreement. Upon receipt of such written notice, Operator shall cease the performance of Parking Facilities operations. Operator shall be entitled to compensation only for services actually performed prior to such termination. Executive Director, in his or her sole reasonable discretion, shall determine the amount of services actually performed, and shall allocate a portion of the total compensation due Operator accordingly. If Board so terminates this Agreement, Operator shall deliver all records, documents, accounts, ledgers, reports, electronic files, agreements and other work product produced pursuant to this Agreement to City in an organized, usable form. No compensation shall be due Operator until it complies with the requirements of this paragraph.

Any unamortized investments toward a parking management system made by the Operator prior to the initial five-year period will be entitled to a reimbursement. It is agreed that the Agreement shall not limit the right of the Department to hire additional contractors to perform the services described in the Agreement either during or after the term of the Agreement.

VIII. COMPENSATION AND PAYMENT

A. By Operator to City

(1) Allocation of Gross Receipts

PCI shall remit the following percentages of gross receipts derived from the Parking Facilities in the form of parking fees, net of the parking occupancy tax and possessory interest tax:

Eighty-One Percent (81%) of Gross Receipts from \$0 to \$5,000,000

Eighty-Two Percent (82%) of Gross Receipts over \$5,000,000

Eighty-Three Percent (83%) of Gross Receipts over \$6,000,000

PCI shall deduct 1/12 of the estimated annual Possessory Interest Tax from the monthly Gross Receipts and a reconciliation of accounts shall be conducted on a yearly basis. A copy of the Gross Receipts Report is attached as Exhibit E.

- a. Operator shall prepare and deliver to City within fifteen (15) days after the end of each month, on a form prepared by the Los Angeles Harbor Department (hereinafter called "Harbor Department") or in a format approved by the Harbor Department, a written statement signed by Operator's duly authorized officer or a representative showing in reasonable detail the elements and amount of gross receipts during the preceding month. Operator's payment of City's percentage of gross receipts shall accompany the written statement. Operator shall further have prepared and delivered to City on or before the thirtieth (30th) day following the end of each year during the term of this Agreement, and on or before the thirtieth (30th) day after the end of the term of this Agreement, a complete, certified, audited annual statement, prepared by a Certified Public Accountant and signed by Operator's duly authorized officer or representative, showing in reasonable detail the elements and amounts of gross receipts during the preceding year or fraction thereof. At the time the annual statement is submitted by Operator to City, Operator shall pay to City the amount of City's percentage of gross receipts, if any, due, and still unpaid, for the preceding Agreement year. Operator shall supplement, within thirty (30) days, the submittals required by this subsection (1)a, upon written request of Executive Director.
- b. City's percentage of gross receipts is due and payable by Operator within fifteen (15) days following the end of the preceding month. Should the terms of this Agreement commence on a day other than the first day of a calendar month, the City's percentage of gross receipts for the first fractional month and the month beginning immediately thereafter shall be due within fifteen (15) days following the end of the month beginning immediately after the first

fractional month. The payment for the last fractional month shall be made within fifteen (15) days following the end of the term of this Agreement.

Said monies shall be made payable to "City of Los Angeles Harbor Department" and mailed to the following address:

City of Los Angeles
Port of Los Angeles
File No. 53308
Los Angeles, CA 90074-3308

or such other address as Executive Director may designate in writing.

- c. All terms and provisions of Section 3(c) of Operator's previous Agreement No. 2388 that would result in retroactive adjustment of compensation paid by Operator pursuant to the terms and provisions of that agreement during its holdover period shall be null and void as of the effective date of this Agreement, which is the day it is signed by the Executive Director following the process set forth in Section 606 of the Charter of the City of Los Angeles.

(2) Security Deposit

Operator shall deposit the sum of One Hundred Thousand Dollars (\$100,000) with Board at the address shown in subsection A(1)b of this Section VIII prior to granting of this Agreement. Said deposit shall be held as a guarantee to cover delinquent monies owed to City. In the event all or a part of the deposit is used to apply against monies due and unpaid, Operator shall immediately make another deposit in an amount equal to the amount so used, so that, at all times during the term of this Agreement, said deposit shall be maintained in the sum stated above.

(3) Gross Receipts Defined

The term "gross receipts," as used herein, shall include, but not be limited to, all monies from parking fees generated at the Parking Facility only and shall not include offsite locations, pursuant to this Agreement. No set off or deduction against gross receipts is permitted unless provided herein. "Gross receipts" shall not include taxes on parking fees collected by Operator pursuant to the City's Parking Occupancy Tax Ordinance, as set forth in Section V of this Agreement or Possessory Interest tax and fees paid by City to Operator for miscellaneous services. "Gross receipts" shall not exclude bank charges for credit card utilization.

(4) Business Curtailment

For any period during which Operator has eased or substantially curtailed the operation and conduct of its business under this Agreement for reasons other than partial or total destruction of the Premises, Operator shall pay monies owed

to City, if any, for the period at the same percentage of gross receipts as was paid during the three (3) immediately prior years of the term of this Agreement, or during the period in which this Agreement has been in effect, whichever is the shorter period of time.

(5) Delinquent Payments

Payments required to be made by this Section VIII.A., which have not been paid within ten (10) calendar days of the date such payments are due ("grace period") shall be subject to a service charge assessed as simple interest at the rate of 1/30 of two percent (2%) of the invoice amount remaining unpaid each day. Operator acknowledges it knows the day of the month its payments to City are due and that the ten (10) calendar day grace period commences from the due date, not the date of City's invoice. Said service charge shall be imposed even if all or a portion of any sum on deposit as a guarantee against delinquent rent is applied to the amount due.

(6) Records and Accounts

All books, accounts and other records showing the affairs of Operator with respect to its business transacted at, upon or over the Premises shall be maintained locally, and shall be subject to examination, audit and transcription by Executive Director or any person designated by him; and in the event it becomes necessary to make such examination, audit or transcription at any place other than within fifty (50) miles of the Premises, then all costs and expenses necessary, or incident to such examination, audit or transcription, shall be paid by Operator. These records shall be retained during the term of this Agreement so that the records for the four (4) most recent years are available. After this Agreement terminates, Operator shall maintain the records for the four (4) most recent years for at least two (2) years. Upon request in writing by Executive Director or his designated representative, Operator shall furnish a statement of the exact location of all records and the name and telephone number of the custodian of these records. The statement shall be submitted within fifteen (15) days of the request and shall contain such detail and cover such period of time as may be specified in any such request.

(7) Promotion of Los Angeles Harbor Facilities

Operator shall in good faith and with all reasonable diligence use its best efforts, suitable advertising and other means to promote the use of the Premises granted by this Agreement.

(8) Supervision of Business Practices

The nature and manner of conducting any and all business activities on the Premises shall be subject to reasonable regulation by the Board. In the event such business is not conducted in a reasonable manner as determined by Board, it may direct that corrective action be taken by Operator to remedy such practices and, upon

failure to comply therewith within thirty (30) days of Operator receiving such written notice, board may declare this Agreement terminated.

Pursuant to the provisions of Section 608 of the City Charter and the Tide and Submerged Land Grant referred to in Section XXVIII of this Agreement, Operator shall use the Premises in such a manner so that there shall be no discrimination made, authorized or permitted in the rates, tolls, or charges or in the facilities provided for any use or services in connection therewith.

Operator shall also conduct its business and cause the businesses of its sublessees upon the Premises to be conducted in a first-class manner. Operator shall furnish and maintain a standard of service at least equal to that of the better class of similar businesses providing similar services and facilities in the City of Los Angeles and adjacent communities during the entire term of this Agreement.

Board reserves the right to have access to and inspect the schedule of rates and prices for services and facilities performed or provided upon the Premises. In the event that after Operator had been advised and given a reasonable opportunity to confer with Board and to justify any rate or price challenged by it as unreasonable or noncompensatory, and Board has determined such rate or price to be unreasonable or inappropriate for the services rendered or the facilities provided, such rates or prices shall be modified by Operator as directed by Board.

(9) Disputed Payments

Operator recognizes that disputes may arise over monies due City in accordance with this Agreement. Operator and City shall make a good faith effort to resolve any disputes as expeditiously as possible. Operator agrees, upon receiving a billing from City which it disputes, to deposit the disputed amount in the form of cash, or certificate of deposit, in City's name in an escrow account to be mutually agreed upon by the parties within sixty (60) days of the date of billing. The deposit shall be held in the escrow account pending the resolution of the dispute. Each party shall share the costs of the escrow account on a 50/50 basis. If the dispute is resolved in City's favor, City shall receive the money and all accumulated interest. If the dispute is resolved in Operator's favor, Operator shall receive the money and all accumulated interest. Operator understands that the failure to provide a deposit acceptable to City within sixty (60) days shall be considered a material default of this Agreement and City shall be entitled to cancel this Agreement upon thirty (30) days' written notice. If operator is obligated to pay City any charges due under Port of Los Angeles Tariff No. 4 (or its successor) pursuant to this Agreement, then failure to provide a deposit shall require Operator to make all payments in accordance with Item 265 of the Tariff and Operator shall be removed from the Credit List authorized by Item 260 of the Tariff or as amended or superseded. This subsection 9 shall not apply to any one billing for a disputed amount exceeding One Hundred Thousand Dollars (\$100,000), provided Operator shall be required to deposit One Hundred Thousand Dollars (\$100,000) with City. If City prevails in the dispute, and the amount due City exceeds One Hundred

Thousand Dollars (\$100,000), Operator shall pay the difference due within fifteen (15) days with interest at the rate set forth in Section A(5) of this Section VIII from the date of City's initial billing to Operator.

(10) Services and Utilities

City shall provide and install empty conduit for electrical power supply lines necessary for Operator to install and operate all gate control equipment and mechanisms required under Section I of this Agreement. Operator shall install necessary power supply lines and pay all charges for services furnished to the Premises or used in connection with its occupancy, including, but not limited to, heat, gas, power, telephone, water, light and janitorial services, and pay all deposits, connection fees, charges and meter rentals required by the supplier of any such service, including City.

B. By City to Operator

As compensation for the satisfactory performance of the following miscellaneous services provided by Operator, as required by this Agreement, City shall pay PCI the following in the event that City requests and secures any of these services from Operator, from time to time:

1. Overseeing operations on Parking Facilities during filming, remediation, construction, or other such operations:
 - \$24 per hour with a minimum of 4 hours
 - \$30 per hour for supervisor for every 5 employees
2. Managing Offsite Parking Lots (see Exhibit F), and any other lots as may be designated by Department:
 - \$24 per hour with a minimum of 4 hours
 - \$30 per hour for supervisor for every 5 employees
3. Providing Valet Services:
 - \$10 valet service charge in the first year of Agreement, \$12 valet service charge for following years

Requests for rate increase(s) must be in writing to the Executive Director and must include rationale for such increase(s). No rate increase(s) are permitted without Executive Director's prior written approval.

C. Operator shall submit invoices in quadruplicate to City monthly following the effective date of this Agreement for services performed during the preceding month. Each such invoice shall be signed by the Operator and shall include the following certification:

"I certify under penalty of perjury that the above bill is just and correct according to the terms of Agreement No. _____ and that payment has not been received. I further certify that I have complied with the provisions of the City's Living Wage Ordinance.

" (Operator's Signature)

D. Operator must include on the face of each itemized invoice submitted for payment its Business Tax Registration Certificate number, as required at Article X of this Agreement. No invoice will be processed for payment by City without this number shown thereon. All invoices shall be approved by the Executive Director or his or her designee prior to payment. All invoices due and payable and found to be in order shall be paid as soon as, in the ordinary course of City business, the same may be approved, audited and paid.

Operator shall submit appropriate supporting documents with each invoice. Such documents may include provider invoices, payrolls, and time sheets. The City may require, and Operator shall provide, all documents reasonably required to determine whether amounts on the invoice are allowable expenses under this Agreement.

Further, where the Operator employs Suboperators under this Agreement, the Operator shall submit to City, with each monthly invoice, a Monthly Suboperator Monitoring Report Form (Exhibit G) listing SBE/VSBE/MBE/WBE/DVBE/OBE amounts. Operator shall provide an explanation for any item that does not meet or exceed the anticipated participation levels for this Agreement, with specific plans and recommendations for improved Suboperator utilization. Invoices will not be paid without a completed Monthly Suboperator Monitoring Report Form. All invoices are subject to audit. Operator is not required to submit support for direct costs items of \$25 or less.

E. For payment and processing, all invoices should be mailed to the following address:

Accounts Payable Section
Harbor Department, City of Los Angeles
P.O. Box 191
San Pedro, CA 90733-0191

F. Operator shall provide and be compensated for additional event services as may, from time to time, be required by City, in the manner detailed herein, but, in no event, shall such services or compensation exceed Fifty-Five Thousand Dollars (\$55,000) per year during the term of this Agreement.

VIX. RECORDKEEPING, ANNUAL REPORTING, AND AUDIT RIGHTS

A. Operator shall keep and maintain full, complete and accurate books of accounts and records of the services performed under this Agreement in accordance with generally accepted accounting principles consistently applied, which books and records shall be readily accessible to and open for inspection and copying at the Premises by City, its auditors or other authorized representatives. Notwithstanding any other provision of this Agreement, failure to do so shall constitute a conclusive waiver of any right to compensation for such services as are otherwise compensable hereunder. Such books and records shall be maintained by Operator for a period of three (3) years after completion of services to be performed under this Agreement or until all disputes, appeals, litigation or claims arising from this Agreement have been resolved.

B. During the term of this Agreement, City may audit, review and copy any and all writings (as that term is defined in Section 250 of the California Evidence Code) of Operator and Suboperators arising from or related to this Agreement or performance of the Scope of Work, whether such writings are (a) in final form or not, (b) prepared by Operator, Suboperators or any individual or entity acting for or on behalf of Operator or a Suboperator, and (c) without regard to whether such writings have previously been provided to City. Operator shall be responsible for obtaining access to and providing writings of Suboperators. Operator shall provide City at Operator's sole cost and expense a copy of all such writings within fourteen (14) calendar days of a written request by City. City's right shall also include inspection at reasonable times of the Operator's office or facilities which are engaged in the performance of the Scope of Work. Operator shall, at no cost to City, furnish reasonable facilities and assistance for such review and audit. Operator's failure to comply with this Article VIII shall constitute a material breach of this Agreement and shall entitle City to withhold any payment due under this Agreement until such breach is cured.

X. OPERATOR IS AN INDEPENDENT CONTRACTOR

Operator, in the performance of the work required by this Agreement, is an independent contractor and not an agent or employee of City. Operator shall not represent itself as an agent or employee of the City and shall have no power to bind the City in contract or otherwise.

XI. BUSINESS TAX REGISTRATION CERTIFICATE

The City of Los Angeles Office of Finance requires the implementation and enforcement of Los Angeles Municipal Code Section 21.09 et seq. This Code Section provides that every person, other than a municipal employee, who engages in any business within the City of Los Angeles, is required to obtain the necessary Business Tax Registration Certificate and pay business taxes. The City Controller has determined that this Code Section applies to consulting firms that are doing work for the Department. See Exhibit H.

XII. INDEMNIFICATION

Except for the sole negligence or willful misconduct of the City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, Operator undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and Operators), damages or liability of any nature whatsoever, for death or injury to any person, including Operator's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by Operator or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City.

XIII. INSURANCE

A. In addition to and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Article XI, Operator shall procure and maintain at its sole cost and expense and keep in force at all times during the term of this Agreement the following insurance:

(1) Commercial General Liability Insurance

Commercial general liability insurance covering personal and advertising injury, bodily injury, and property damage providing contractual liability, independent contractors, products and completed operations, and premises/operations coverage written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Operator's normal limits of liability but not less than One Million Dollars (\$1,000,000) combined single limit for injury or claim. Where Operator provides or dispenses alcoholic beverages, Host Liquor Liability coverage shall be provided as above. Where Operator provides pyrotechnics, Pyrotechnics Liability shall be provided as above. Said limits shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of Operator. The retention or self-insurance provided shall provide that any other insurance maintained by the Harbor Department shall be excess of Operator's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause. Each policy shall name the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds.

(2) Fire Legal Liability Insurance

In addition to and concurrently with the aforesaid insurance coverage, Operator shall also procure and maintain, fire legal liability insurance with a minimum limit of Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence, covering legal liability of Operator for damage or destruction by fire or explosion to the works, structures and improvements owned by City provided that said minimum limits of liability shall be subject to adjustments by Executive Director to conform with the deductible amount of the fire insurance policy maintained by the Board. Such policy may provide for waiver of subrogation in favor of Operator so long as permitted by the Board's fire insurance policy. The same cancellation notice as required for the commercial general liability policy described above must be included. Operator's insurance broker or agent shall submit for approval on Operator's behalf said insurance to the City's online insurance compliance system Track4LA® at <http://track4la.lacity.org/>.

(3) Automobile Liability Insurance

Automobile liability insurance written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Operator's normal limits of liability but not less than One Million Dollars (\$1,000,000) covering damages, injuries or death resulting from each accident or claim arising out of any one claim or accident. Said insurance shall protect against claims arising from actions or operations of the insured, or by its employees. Coverage shall contain a defense of suits provision and a severability of interest clause. Each policy shall name the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds.

(4) Workers' Compensation and Employer's Liability

Operator shall certify that it is aware of the provisions of Section 3700 of the California Labor code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Operator shall comply with such provisions before commencing the performance of the tasks under this Agreement. Coverage for claims under U.S. Longshore and Harbor Workers' Compensation Act, if required under applicable law, shall be included. Operator shall submit Workers' Compensation policies whether underwritten by the state insurance fund or private carrier, which provide that the public or private carrier waives its right of subrogation against the City in any circumstance in which it is alleged that actions or omissions of the City contributed to the accident. Such Worker's Compensation and occupational disease requirements shall include coverage for all employees of Operator, and for all employees of any subcontractor or other vendor retained by Operator.

B. Insurance Procured by Operator on Behalf of City

In addition to and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Article XI, and where Operator is required to name the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds on any insurance policy required by this Agreement, Operator shall cause City to be named as an additional insured on all policies it procures in connection with this Article XII. Operator shall cause such additional insured status to be reflected in the original policy or by additional insured endorsement (CG 2010 or equivalent) substantially as follows:

"Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that City, Board, their officers, agents and employees, are additional insureds hereunder, and that coverage is provided for all contractual obligations, operations, uses, occupations, acts and activities of the insured under Agreement No. ____, and under any amendments, modifications, extensions or renewals of said Agreement regardless of where such contractual obligations, operations, uses, occupations, acts and activities occur.

"The policy to which this endorsement is attached shall provide a 10-days' notice of cancellation for nonpayment of premium, and a 30-days' notice of cancellation for any other reasons to the Risk Manager.

"The coverage provided by the policy to which this endorsement is attached is primary coverage and any other insurance carried by City is excess coverage;

"In the event of one of the named insured's incurring liability to any other of the named insureds, this policy shall provide protection for each named insured against whom claim is or may be made, including claims by other named insureds, in the same manner as if separate policies had been issued to each named insured. Nothing contained herein shall operate to increase the company's limit of liability; and

"Notice of occurrences or claims under the policy shall be made to the Risk Manager of City's Harbor Department with copies to the City Attorney's Office."

C. Required Features of Coverages

Insurance procured by Operator in connection with this Article XIII shall include the following features:

(1) Acceptable Evidence and Approval of Insurance

Electronic submission is the required method of submitting Operator's insurance documents. Operator's insurance broker or agent shall register with the City's online insurance compliance system Track4LA TM at <http://track4la.lacity.org/> and submit the appropriate proof of insurance on Operator's behalf.

Upon request by City, Operator shall furnish full copies of certified policies of any insurance policy required herein. This obligation is intended to, and shall, survive the expiration or earlier termination of this Agreement.

(2) Carrier Requirements

All insurance which Operator is required to provide pursuant to this Agreement shall be placed with insurance carriers authorized to do business in the State of California and which are rated A-, VII or better in Best's Insurance Guide. Carriers without a Best's rating shall meet comparable standards in another rating service acceptable to City.

(3) Notice of Cancellation

Each insurance policy described above shall provide that it shall not be canceled or reduced in coverage until after the Board of Harbor Commissioners, Attention: Risk Manager and the City Attorney of City have each been given a 10-days' notice of cancellation for nonpayment of premium and a 30-days' notice of cancellation for any other reason by written notice by registered mail addressed to 425 S. Palos Verdes Street, San Pedro, California 90731.

(4) Modification of Coverage

Executive Director, at his or her sole reasonable discretion, based upon recommendation of independent insurance Operators to City, may increase or decrease amounts and types of insurance coverage required hereunder at any time during the term hereof by giving ninety (90) days' prior written notice to Operator.

(5) Renewal of Policies

At least thirty (30) days prior to the expiration of any policy required by this Agreement, Operator shall renew or extend such policy in accordance with the requirements of this Agreement and direct their insurance broker or agent to submit to the City's online insurance compliance system Track4LA TM at <http://track4la.lacity.org/> a renewal endorsement or renewal certificate or, if new insurance has been obtained, evidence of insurance as specified above. If Operator neglects or fails to secure or maintain the insurance required above, Executive Director may, at his or her own option but without any obligation, obtain such insurance to protect City's interests. The cost of such insurance shall be deducted from the next payment due Operator.

(6) Limits of Coverage

If Operator maintains higher limits than the minimums required by this Agreement, City requires and shall be entitled to coverage for the higher limits maintained by Operator. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

D. Right to Self-Insure

Upon written approval by the Executive Director, Operator may self-insure if the following conditions are met:

1. Operator has a formal self-insurance program in place prior to execution of this Agreement. If a corporation, Operator must have a formal resolution of its board of directors authorizing self-insurance.
2. Operator agrees to protect the City, its boards, officers, agents and employees at the same level as would be provided by full insurance with respect to types of coverage and minimum limits of liability required by this Agreement.
3. Operator agrees to defend the City, its boards, officers, agents and employees in any lawsuit that would otherwise be defended by an insurance carrier.
4. Operator agrees that any insurance carried by Department is in excess of Operator's self-insurance and will not contribute to it.
5. Operator provides the name and address of its claims administrator.
6. Operator submits its most recently filed 10-Q and its 10-K or audited annual financial statements for the three most recent fiscal years prior to Executive Director's consideration of approval of self-insurance and annually thereafter.
7. Operator agrees to inform Department in writing immediately of any change in its status or policy which would materially affect the protection afforded Department by this self-insurance.
8. Operator has complied with all laws pertaining to self-insurance.

E. Accident Reports

Operator shall report in writing to Executive Director within fifteen (15) calendar days after it, its officers or managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Five Hundred Dollars (\$500.00) to property, occurring upon the Premises, or elsewhere within the Port of Los Angeles if Operator's officers, agents or employees are involved in such an accident or occurrence. Such report shall contain to the extent available (1) the name and address of the persons involved, (2) a general statement as to the nature and extent of injury or damage, (3) the date and hour of occurrence, (4) the names and addresses of known witnesses, and (5) such other information as may be known to Operator, its officers or managing agents.

XIV. PERSONAL SERVICE AGREEMENT

A. During the term hereof, Operator agrees that it will not enter into other contracts or perform any work without the written permission of the Executive Director where the work may conflict with the interests of the Department.

B. Operator acknowledges that it has been selected to perform the Scope of Work because of its experience, qualifications and expertise. Any assignment or other transfer of this Agreement or any part hereof shall be void provided, however, that Operator may permit Suboperator(s) to perform portions of the Scope of Work in accordance with Article I. All Suboperators whom Operator utilizes, however, shall be deemed to be its agents. Suboperators' performance of the Scope of Work shall not be deemed to release Operator from its obligations under this Agreement or to impose any obligation on the City to such Suboperator(s) or give the Suboperator(s) any rights against the City.

XV. AFFIRMATIVE ACTION

The Operator, during the performance of this Agreement, shall not discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, national origin, ancestry, sex, age, sexual orientation, disability, marital status, domestic partner status, or medical condition. The provisions of Section 10.8.4 of the Los Angeles Administrative Code shall be incorporated and made a part of this Agreement. All subcontracts awarded shall contain a like nondiscrimination provision. See Exhibit I.

XVI. SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM AND LOCAL BUSINESS PREFERENCE PROGRAM

It is the policy of the Department to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Operator shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunity which might be presented under this Agreement. See Exhibit J.

It is also the policy of the Department to support an increase in local and regional jobs. The Department's Local Business Preference Program aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector. Operator shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for Local Business Enterprises to achieve participation in subcontracts where such participation opportunities present themselves.

NOTE: Prior to being awarded a contract with the City, Operator and all Suboperators must be registered on the City's Contracts Management and Opportunities Database, Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>.

XVII. CONFLICT OF INTEREST

It is hereby understood and agreed that the parties to this Agreement have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees, as well as the Los Angeles Municipal Code (LAMC) Municipal Ethics and Conflict of Interest provisions of Section 49.5.1 et seq. and the Conflict of Interest Codes of the City and the Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such financial interest does exist at the inception of this Agreement, City may immediately terminate this Agreement by giving written notice thereof.

During the term of this Agreement, Operator shall inform the Department in writing when Operator, or any of its Suboperators, employs or hires in any capacity, and for any length of time, a person who has worked for the Department as a Commissioner, officer or employee. Said notice shall include the individual's name and

current position and their prior position and years of employment with the Department. Written notice shall be provided by Operator to the Department within thirty (30) days of the employment or hiring of the individual.

XVIII. COMPLIANCE WITH APPLICABLE LAWS

Operator shall at all times in the performance of its obligations comply with all applicable laws, statutes, ordinances, rules and regulations, and with the reasonable requests and directions of Executive Director.

XIX. GOVERNING LAW / VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law, rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State or Federal courts located in the County of Los Angeles, State of California, in the judicial district required by court rules.

XX. TRADEMARKS, COPYRIGHTS, AND PATENTS

Operator agrees to save, keep, hold harmless, protect and indemnify the City and any of its officers or agents from any damages, cost, or expenses in law or equity from infringement of any patent, trademark, service mark or copyright of any person or persons, or corporations in consequence of the use by City of any materials supplied by Operator in the performance of this Agreement.

XXI. PROPRIETARY INFORMATION

A. Writings, as that term is defined in Section 250 of the California Evidence Code (including, without limitation, drawings, specifications, estimates, reports, records, reference material, data, charts, documents, renderings, computations, computer tapes or disks, submittals and other items of any type whatsoever, whether in the form of writing, figures or delineations), which are obtained, generated, compiled or derived in connection with this Agreement (collectively hereafter referred to as "property"), are owned by City as soon as they are developed, whether in draft or final form. City has the right to use or permit the use of property and any ideas or methods represented by such property for any purpose and at any time without compensation other than that provided in this Agreement. Operator hereby warrants and represents that City at all times owns rights provided for in this section free and clear of all third-party claims whether presently existing or arising in the future, whether or not presently known. Operator need not obtain for City the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless such patent is owned by Operator or one of its employees, or its Suboperator or the

Suboperator's employees, in which case such right shall be obtained without additional compensation. Whether or not Operator's initial proposal or proposals made during this Agreement are accepted by City, it is agreed that all information of any nature whatsoever connected with the Scope of Work, regardless of the form of communication, which has been or may be given by Operator, its Suboperators or on either's behalf, whether prior or subsequent to this Agreement becoming effective, to the City, its boards, officers, agents or employees, is not given in confidence. Accordingly, City or its designees may use or disclose such information without liability of any kind, except as may arise under valid patents.

B. If research or development is furnished in connection with this Agreement and if, in the course of such research or development, patentable work product is produced by Operator, its officers, agents, employees, or Suboperators, the City shall have, without cost or expense to it, an irrevocable, non-exclusive royalty-free license to make and use, itself or by anyone on its behalf, such work product in connection with any activity now or hereafter engaged in or permitted by City. Upon City's request, Operator, at its sole cost and expense, shall promptly furnish or obtain from the appropriate person a form of license satisfactory to the City. It is expressly understood and agreed that, as between City and Operator, the referenced license shall arise for City's benefit immediately upon the production of the work product, and is not dependent on the written license specified above. City may transfer such license to its successors in the operation or ownership of any real or personal property now or hereafter owned or operated by City.

XXII. CONFIDENTIALITY

The data, documents, reports, or other materials which contain information relating to the review, documentation, analysis and evaluation of the work described in this Agreement and any recommendations made by Operator relative thereto shall be considered confidential and shall not be reproduced, altered, used or disseminated by Operator or its employees or agents in any manner except and only to the extent necessary in the performance of the work under this Agreement. In addition, Operator is required to safeguard such information from access by unauthorized personnel.

XXIII. TAXPAYER IDENTIFICATION NUMBER (TIN)

The Internal Revenue Service (IRS) requires that all Operators and suppliers of materials and supplies provide a TIN to the party that pays them. Operator declares that it has an authorized TIN which shall be provided to the Department prior to payment under this Agreement. No payments will be made under this Agreement without a valid TIN.

XXIV. SERVICE CONTRACTOR WORKER RETENTION POLICY AND LIVING WAGE POLICY REQUIREMENTS

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 13, 1999, agreeing to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention (SCWR), Section 10.36 et seq. of the Los Angeles Administrative Code, as the policy of the Department. Further, Charter Section 378 requires compliance with the City's Living Wage requirements as set forth by ordinance, Section 10.37 et seq. of the Los Angeles Administrative Code. Operator shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate this Agreement and otherwise pursue legal remedies that may be available.

XXV. WAGE AND EARNINGS ASSIGNMENT ORDERS / NOTICES OF ASSIGNMENTS

The Operator and/or any Suboperator are obligated to fully comply with all applicable state and federal employment reporting requirements for the Operator and/or Suboperator's employees.

The Operator and/or Suboperator shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignments applicable to them personally. The Operator and/or Suboperator will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Cal. Family Code Sections 5230 et seq. The Operator or Suboperator will maintain such compliance throughout the term of this Agreement.

XXVI. EQUAL BENEFITS POLICY

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1, et seq. of the Los Angeles Administrative Code, as a policy of the Department. Operator shall comply with the policy wherever applicable. Violation of this policy shall entitle the City to terminate any Agreement with Operator and pursue any and all other legal remedies that may be available. See Exhibit K.

XXVII. COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)

The Operator, Suboperators, and their 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 agreement is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Operator is required to provide and update certain information to the City as specified by law. Any Operator subject to

Charter Section 470(c)(12), shall include the following notice in any contract with a Suboperator expected to receive at least \$100,000 for performance under this Agreement:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a Suboperator on Harbor Department Agreement No. _____. Pursuant to City Charter Section 470(c)(12), Suboperator 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 Agreement is signed. Suboperator is required to provide to Operator names and addresses of the Suboperator's principals and contact information and shall update that information if it changes during the 12 month time period. Suboperator's information must be provided to Operator within 10 business days. Failure to comply may result in termination of the Agreement 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.

Operator, Suboperators, and their 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.

XXVIII. STATE TIDELANDS GRANTS

This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Operator agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

XXIX. INTEGRATION

This Agreement contains the entire understanding and agreement between the parties hereto with respect to the matters referred to herein. No other representations, covenants, undertakings, or prior or contemporaneous agreements,

oral or written, regarding such matters which are not specifically contained, referenced, and/or incorporated into this Agreement by reference shall be deemed in any way to exist or bind any of the parties. Each party acknowledges that it has not been induced to enter into the Agreement and has not executed the Agreement in reliance upon any promises, representations, warranties or statements not contained, referenced, and/or incorporated into the Agreement. **THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO BE, AND IS, AN INTEGRATED AGREEMENT.**

XXX. PRIOR AGREEMENT SUPERSEDED

This Agreement shall terminate Agreement No. 2388 as of the Effective Date. Said termination does not affect rights either party has accrued or obligations which remain to be performed or rights and/or obligations which provide they continue after termination or expiration of the agreement or which continue by operation of law.

XXXI. SEVERABILITY

Should any part, term, condition or provision of this Agreement be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or city charter, the validity of the remaining parts, terms, conditions or provisions of this Agreement shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Agreement, then such part, term, condition or provision shall be deemed not to be a part of this Agreement; or (b) if such part, term, condition or provision is material to this Agreement, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

XXXII. CONSTRUCTION OF AGREEMENT

This Agreement shall not be construed against the party preparing the same, shall be construed without regard to the identity of the person who drafted such and shall be construed as if all parties had jointly prepared this Agreement and it shall be deemed their joint work product; each and every provision of this Agreement shall be construed as though all of the parties hereto participated equally in the drafting hereof; and any uncertainty or ambiguity shall not be interpreted against any one party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

XXXIII. TITLES AND CAPTIONS

The parties have inserted the Article titles in this Agreement only as a matter of convenience and for reference, and the Article titles in no way define, limit, extend or

describe the scope of this Agreement or the intent of the parties in including any particular provision in this Agreement.

XXXIV. MODIFICATION IN WRITING

This Agreement may be modified only by written agreement of all parties. Any such modifications are subject to all applicable approval processes required by, without limitation, City's Charter and City's Administrative Code.

XXXV. NOTICE

In all cases where written notice including the service of legal pleadings is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid or delivered. When so given, such notice shall be effective from the date of mailing. Unless changed by notice in writing from the respective parties, notice to the parties shall be as follows:

To the City: Los Angeles Harbor Department
P.O. Box 151
San Pedro, California 90733-0151
Attention: Executive Director

with a copy to: Office of City Attorney—Harbor Department
425 S. Palos Verdes Street
San Pedro, California 90731
Attention: General Counsel

To the Operator: Parking Concepts, Inc.
Attn: Bob Hindle, Vice President
1801 S. Georgia Street
Los Angeles, CA 90015
E: bhindle@pcila.com
T: (213) 746-5764

Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law. All notice periods under this Agreement refer to calendar days unless otherwise specifically stated.

XXXVI. WAIVER

A failure of any party to this Agreement to enforce the Agreement upon a breach or default shall not waive the breach or default or any other breach or default. All waivers shall be in writing.

XXXVII. EXHIBITS; ARTICLES

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached. To the extent the terms of an exhibit conflict with or appear to conflict with the terms of the body of the Agreement, the terms of the body of the Agreement shall control. References to Articles are to Articles of this Agreement unless stated otherwise.

XXXVIII. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute together one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: _____

By _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

(OPERATOR'S NAME)

Dated: May 18, 2017

By *Robert E. Hindle*

ROBERT E. HINDLE, Vice President
(Print/type name and title)

Attest *Gill A. Barnett*

GILL A. BARNETT, President
(Print/type name and title)

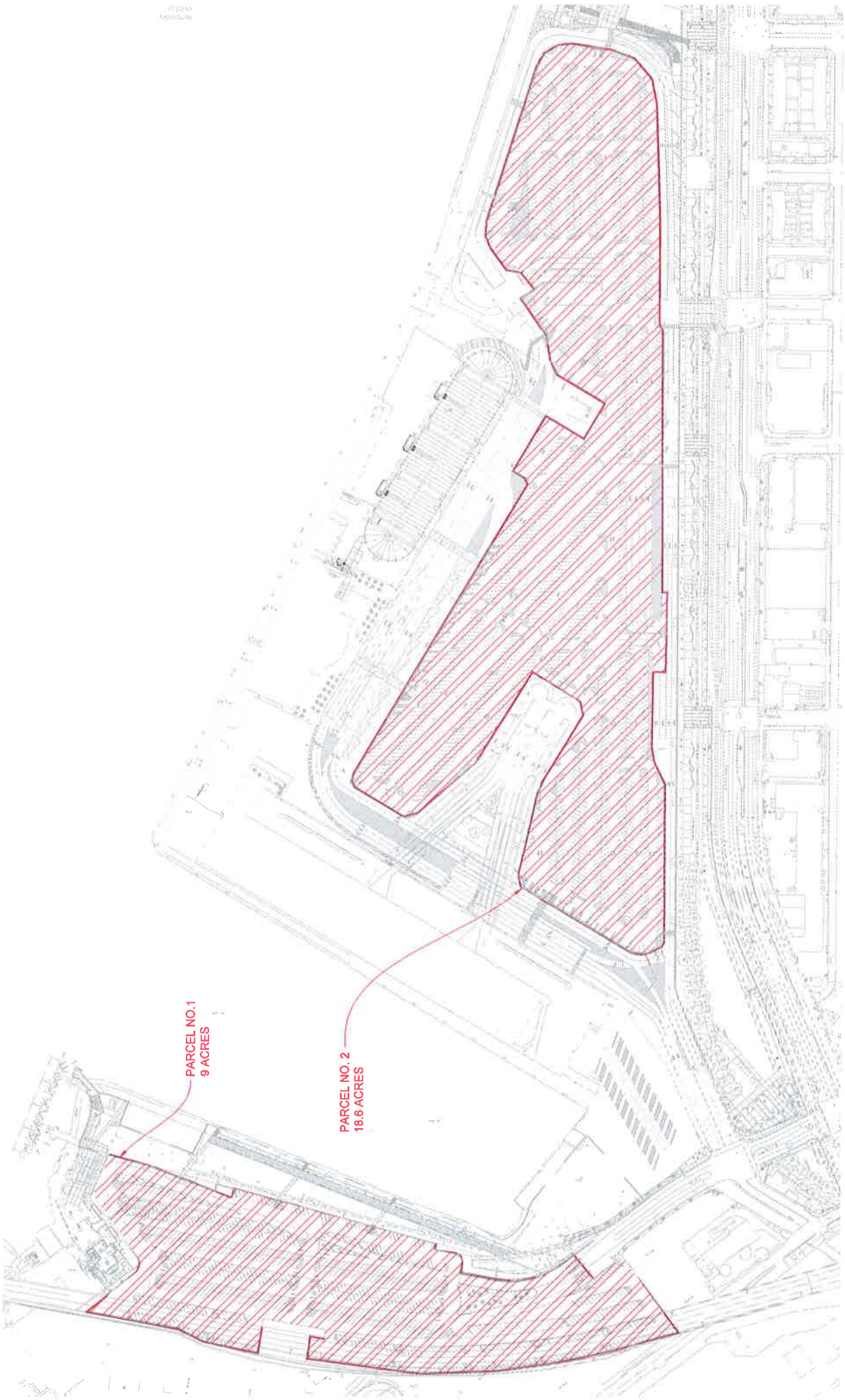
APPROVED AS TO FORM AND LEGALITY

May 24, 2017
MICHAEL N. FEUER, City Attorney
JANNA B. SIDLEY, General Counsel

By *Justin Houterman*
JUSTIN HOUTERMAN, Deputy

JH:ila (05/16/17)

Account #	<u>52040/54390</u>	
Ctr/Div #	<u>0220/0429</u>	Dep. Fac. # _____
Proj/Prog #	<u>000</u>	
Budget FY: Amount:		
<u>52040/0220</u>	<u>17/18</u>	<u>\$150,000</u>
<u>54290/0429</u>	<u>17/18</u>	<u>\$95,000</u>
TOTAL		<u>\$855,000</u>
For Acct/Budget Div. Use Only:		
Verified by:	<u><i>Julie Yano</i></u>	
Verified Funds Available	<u><i>Janna Sidley</i></u>	
Date Approved:	<u>5/23/17</u>	



Parking Operator's Responsibilities and Tasks

2.3 Parking Rates and Hours of Operations

Parking fees for the Parking Facility shall be those stated in Port of Los Angeles Tariff No. 4, Item 1300 (see Attachment H), and regulations shall be governed by Los Angeles Municipal Code 21.15 which includes Parking Occupancy Tax Ordinance No. 182283 (Attachments E and F, respectively). Current parking fees are: \$2.00 per hour per vehicle, or fraction thereof, that such vehicle remains parked and shall include the City of Los Angeles Vehicle Parking Occupancy Tax. Said charges are subject to a Maximum Charge per twenty-four (24) hour day of \$17.00. The current charge for a monthly parking permit is \$80.00 per month. Beginning January 1, 2017, the Maximum Charge per twenty-four (24) hour day will be \$18.00.

The Operator will manage the Parking Facility during such hours as the surrounding businesses in the area are open for business, or as directed by the Harbor Department.

2.4 Operator's Responsibilities and Tasks

The Operator shall be responsible for all aspects of managing, operating, and maintaining the parking facilities. The Operator shall be responsible for the following:

Hours of Operation

The Operator will manage the Parking Facility during such hours as the surrounding businesses in the area are open for business, or as directed by the Harbor Department.

Staffing

- a. Operator shall provide uniforms that clearly identify parking attendants as employees of Operator's company. The Operator shall ensure that all new employees undergo and pass a pre-employment background check prior to commencement of employment. Should Harbor Department find Operator personnel unsatisfactory, Harbor Department reserves the right to direct the Operator to remove such personnel from the Parking Facility.
- b. Operator shall staff Parking Facility with a uniformed attendant(s) or cashier(s) who is/are well groomed while on duty and attired in clean uniforms bearing the company name. Employees shall wear nametags at all times. Responsibilities will include, but are not limited to, collecting parking fees from patrons and accurately processing such transactions, maintaining the parking booth in a clean and orderly manner, conducting required maintenance duties, responding

courteously and appropriately to patron questions and complaints, notifying the Manager of any unresolved complaints, problems or equipment failures, filling out Lost Ticket forms for patrons who have misplaced their parking tickets, and obtaining patron signature on Promise-To-Pay forms.

- c. Operator shall provide minimum staffing schedules to the Director of Waterfront and Commercial Real Estate or designee for approval. Such schedules must be coordinated with tenants of the World Cruise Center/Catalina Terminals/USS Iowa complex.
- d. The Operator shall provide other on-site personnel whose responsibilities may include, but are not limited to, providing office administration support, providing security services, troubleshooting and servicing the revenue control equipment, cleaning and maintaining the parking facilities as specified in the RFP, placing traffic cones and barricades to facilitate traffic flow, and directing traffic to unoccupied parking spaces during peak occupancy periods.
- e. Operator shall employ a manager to oversee the operation, management, and maintenance of the designated parking facilities. The manager shall be responsible for overseeing all aspects of the parking operations, including but not limited to, supervising, hiring and dismissing of employees and other required supervisory duties. The manager shall ensure that the parking facility is staffed while the attendant is on break, at lunch, or absent from work. The manager shall investigate, respond to and resolve customer complaints to Harbor Department's satisfaction in a timely manner, and consistent with standards that will be indicated in the agreement.
- f. The manager shall oversee the removal of cash from the attendant booths and the transport of such revenues. The manager will be responsible for the daily inspection of each parking facility and ensure that all problems are promptly addressed and corrected. The inspections shall be documented in the form of a checklist or log and shall be available to Harbor Department for review and comment upon demand. These inspections shall include, but not be limited to, vehicle inventory, parking facility cleanliness, safety hazards, proper functioning of revenue control equipment, employee performance, and cash handling and cash accounting audits.
- g. The Operator shall assign a Corporate Representative to represent the Operator at all times, attend meetings with the Harbor Department, and act as a liaison between the Operator and Harbor Department.

Operations

- a. Operator shall be responsible for transitioning from the current parking system to its proposed parking management system including the installation of equipment and programming, as necessary, in accordance with the terms as negotiated.
- b. Operator shall be responsible for maintaining and servicing all parking equipment to a first-class level during the term of the permit.

- c. Operator shall provide and maintain signs at the entrance to the Parking Facility, in full view of approaching motorists, which identifies its company as the operator of the parking lots. Operator will also indicate the existing parking rates on such signs at the entrance of the Parking Facility, as well as on exit signs.
- d. Operator shall be responsible for securing the premises to ensure that only those who have legitimate business are permitted to enter.
- e. Operator shall be responsible for installing, replacing, and maintaining signage and/or parking lot accessories to facilitate traffic flow and identify designated spaces for handicap, bus/shuttle parking and/or zones, etc. Operator shall also replace signage and repaint striping on pavement, as necessary, or upon the request of Harbor Department.
- f. Operator shall be responsible for damage caused by acts of vandalism.
- g. Operator shall provide, at its own expense, all maintenance necessary to keep machine readable ticket splitter, ticket vendors, clocks, registers, gate machinery, etc., in first-class operating condition.
- h. The peak seasons of the World Cruise Center and Catalina Terminal do not coincide. It is therefore possible for Parcel Nos. 1 and 2 to be used interchangeably as overflow parking for whichever Operator is experiencing its busy season. Interchanging of lots in this way requires increased use of shuttles.
- i. Operator shall provide at least four parking lot type passenger shuttles with luggage racks, each capable of accommodating at least 16 passengers, to provide service between parking areas and adjacent passenger facilities. Shuttle service shall be provided at no cost to patrons. Passenger count varies widely due to the size and capacity of vessels calling at the port on any given day. Operator must at all times ensure the availability of an adequate number of shuttles to provide first-class service to patrons, regardless of fluctuations in passenger counts. The Operator shall commence shuttle service to ensure minimum waiting period for passengers to get to and from their destinations (to the cruise vessels or to their parked cars). If Operator so desires, the shuttle service may be subcontracted with an established transit transportation company.

Harbor Department reserves the right to change the current operational methodology of the Parking Facility from a pay-at-exit system to another form of operation. Upon mutual agreement, Harbor Department and the Operator will work to revise the staffing plan should there be a change in the operational methodology.

Quality Assurance and Safety Control

The Operator shall establish and maintain a system of quality and safety controls to ensure that the agreement requirements are met. The quality control measures shall include, but not be limited to, the following:

- a. Develop, implement, and maintain a customer service program to ensure that all members of the public are treated with courtesy, that all complaints are handled and resolved quickly, effectively and appropriately, and that the public is informed of parking policies and procedures;
- b. Maintain all worksites free and clear of hazards to persons and property resulting from the parking operations. The Operator must inspect each parking facility and parking office for hazards and maintenance needs and for public safety concerns on a daily basis. Any hazardous condition noted by the Operator shall be immediately corrected. Should the responsibility for causing correction not be within the Operator's scope of work, the hazardous condition should be immediately reported to the Harbor Department; and
- c. Post procedures in each cashier booth, work station, and the Parking Management Office, informing employees whom to contact and what to do in the event of emergency.

Finance and Accountability

- a. Parking fees shall be charged pursuant to Item 1300 of Port of Los Angeles Tariff No.4 (Attachment H), which fees will not be reduced during the term of the contract executed in connection with this RFP, but may be increased. Both parking fees and valet charges, should take into account taxes required under Parking Occupancy Tax Ordinance No. 182283 (Attachment F).
- b. Operator shall not collect a parking fee from the employees of tenants of the World Cruise Center/Catalina Terminal Parking Facility, employees of the vessels calling at this facility, volunteers at the USS Iowa, or governmental employees conducting official business at the facility or on the vessels calling at the facility.
- c. Operator shall have a procedure to limit and account for all key cards that are issued to employees and volunteers at Catalina Express, World Cruise Center, and USS Iowa. Each August 1 and February 1, during the term of the contract, Operator shall submit information on the status of such key cards.
- d. Existing equipment installed at the Parking Facility is available for use by the Operator during the term of the contract executed in connection with this RFP. A list of this equipment is provided in Attachment B.
- e. If the operating agreement is canceled by the Harbor Department for a cause other than default prior to its five-year anniversary, Operator shall be entitled to a

reimbursement of all unamortized costs, as agreed upon per exhibit to the Operating Agreement.

- f. Any maintenance and replacement costs of the aforementioned equipment are the responsibility of the Operator. Any new equipment installed by Operator in addition to the existing equipment shall be installed at the expense of the Operator and shall become the property of the Harbor Department upon expiration of the contract executed in connection with this RFP. The Harbor Department reserves the right to have equipment removed at Operator's expense upon expiration of the contract executed in connection with this RFP.
- g. Credit card transaction fees will not be deducted from the Gross Receipts Revenue.
- h. Operator shall pay for all utilities (water, electricity, telephone and gas, if required) used for the operation of the Parking Facility. Such expenses average less than one thousand (\$1,000) a month.
- i. Operator shall provide a detailed account of internal daily and monthly auditing procedures.

For your reference, a summary of the gross receipts from the last three years is provided as Attachment I.

Maintenance

- a. Operator shall perform general maintenance of Parking Facility, without the use of gas blowers, as follows:
 - Sweep circulation roadways and main aisles;
 - Manually pick up debris;
 - Sweep longshoreman parking area; and
 - Sweep taxi and car drop off areas.
- b. Operator shall perform landscape maintenance of Facility as follows:
 - Water three times per week in summer and once per week in winter;
 - Weed and trim every two weeks; and
 - Fertilize and provide insecticide application semiannually.

Miscellaneous Services

- a. Harbor Department reserves the right to request the Operator to perform other services in special circumstances, the initial cost of which shall be expended by the Operator. The cost for these services will be credited to the Operator for the month incurred upon presentation of substantiating invoices along with the monthly Gross Receipts Report. All work completed under this provision must have prior written approval from Harbor Department at an agreed-upon price. Such services may include, but are not limited to, the purchase of equipment and supplies, the installation of materials and equipment, capital improvements,

and the performance of special repairs and maintenance activities in connection with the operation of the Parking Facility.

- b. Operator shall provide oversight services that will ensure that the Parking Facility is used in accordance with the user's permit, and that the permit premises are restored to the original condition. Payment for services will be from users involved in filming or performing work on the site. Operator may also be required to oversee any post-activity restoration efforts required. In the last three years, the incumbent operator received an average of \$45,000 per year for such event services.
- c. Operator shall provide parking attendants at various offsite parking lots (see Attachment G). On occasion, Port-sponsored events require the use of attendants to facilitate parking and assist with traffic control.
- d. Valet service is currently not available. Operator may choose to provide such services on certain dates such as cruise ship days or during special events. Cruise lines at the Port have expressed a strong interest in valet parking. As part of this proposal, proposers shall provide a plan of operations for a valet parking system that will accommodate those parking lot customers willing to pay a higher rate for valet parking or some other form of streamlined service.

TAB H
MANAGEMENT AND OPERATIONS PLAN

MANAGEMENT TEAM / STAFFING

We have in place at the Port a very effective, responsive and service oriented management team and our intent is to continue providing the same staff, ensuring future realization of our mutual goals. As mentioned elsewhere in this proposal, PCI has managed the Port's parking operation for the past 19 years. In that entire time, Bob Hindle, Vice President, has overseen the account, and, for the past 17 years, Peter Martil, District Manager, has held a position in the Port parking management, from Assistant Manager, when he first joined us and was assigned to this location, to his present duties as District Manager, with the Port being one of his most important responsibilities.

Peter and Bob are the primary senior management contacts for the Port in this operation.

Bob and Peter are joined by our on-site management team of Elena Everett, General Manager, and Iris Ventura, Assistant Manager. Elena has been with PCI for six years, beginning her career as a supervisor at our Old Town Pasadena locations and then, after demonstrating her zeal and thorough work ethic, she was moved to the Port's operation. Iris has been a dependable, hard working and dedicated mainstay of our firm for close to 15 years. Her attention to detail and her commitment to customer service stand out and we brought her to the Port four years ago where her enthusiasm and ceaseless drive have enabled our operation to thrive.

In addition to Elena and Iris, we have a very seasoned and well-trained staff to provide cashiering, shuttling, and maintenance. Our staff members serve as ambassadors and are able to offer directions and answer most inquiries. They are also steeped in all aspects of customer service and are expected to be courteous, mannered and professional, the entire time they are on the premises.

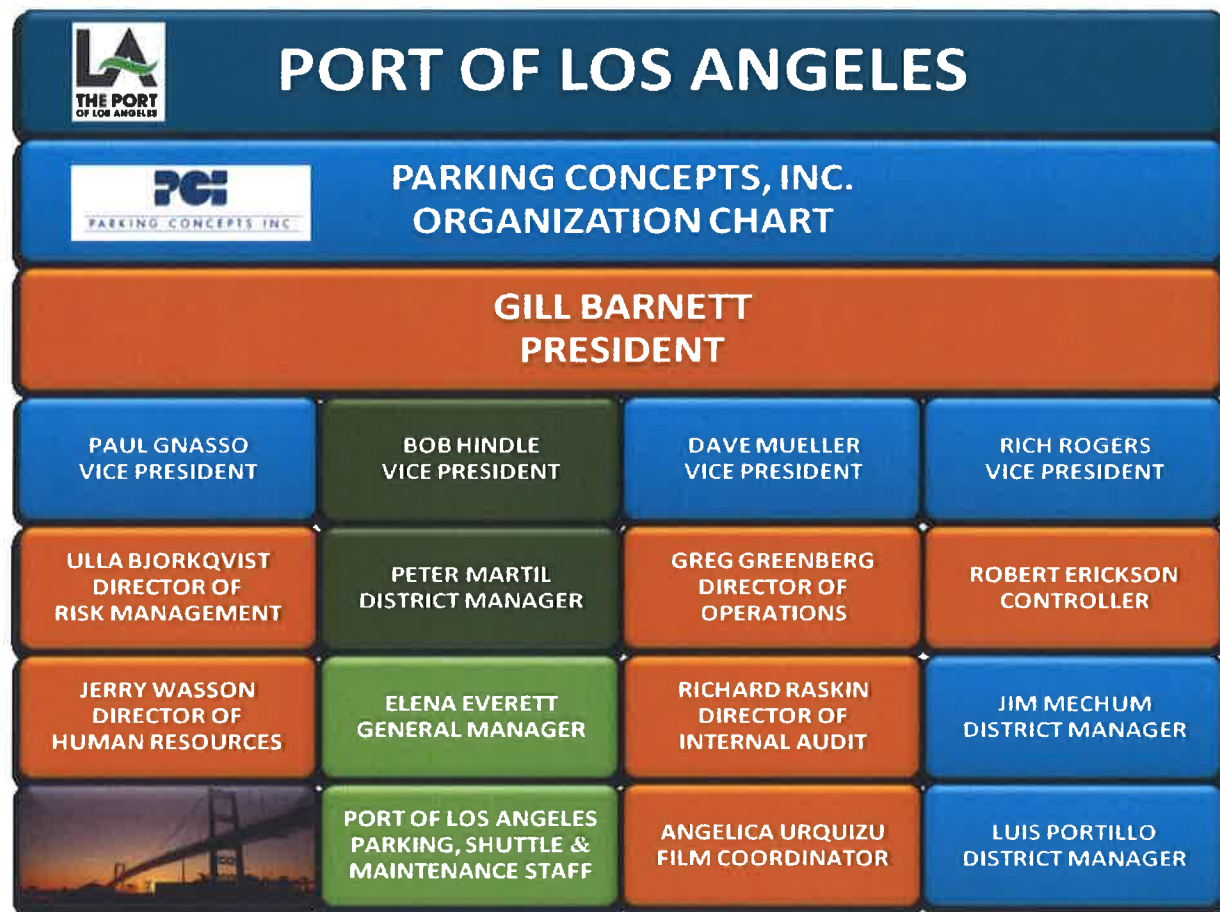
We are recommending that the Port install automated parking equipment (details provided in our Parking Management System section) which will result in quicker service levels and a reduction in cashiering staff. We are also recommending purchasing three 20-passenger shuttles to augment our present fleet of three 12-passenger shuttles. This will allow us the ability to ferry 96 passengers at any given time, 50% above the Port's stated goal of 64 passenger seats. The smaller shuttles can get to the berths quicker, while the larger shuttles can pick up much larger groups.

Senior and executive support staff consists of Ulla Bjorkqvist, Director of Risk Management, Jerry Wasson, Director of Human Resources, Greg Greenberg, Director of Operations, Richard Raskin, Director of Internal Audit, and Robert Erickson, Controller. All of our support staff will be involved in various capacities, from helping with hiring and training to tracking and monitoring the financial records to ensuring revenue integrity and safety. Our firm's President, Gill Barnett, remains involved in most aspects of this very important account, as well.

We have an off-site film coordinator, Angelica Urquizu, who coordinates, administers, and controls filming schedules and contracts throughout our company's portfolio, and has been responsible for film contracts at the Port for the past four years.

The organization chart that follows details our firm's composition, in regards to the Port. Please note that positions with light green backgrounds denote local, on-site management and operations staff, darker green backgrounds indicate immediate and direct supervision and guidance, while much of our executive and senior management, individually represented in the chart that follows, with copper backgrounds (and comprising well over 150 years of parking experience), will be teamed together to take an active and vital support and collaborative role in providing leadership, direction, oversight, reporting, continuity, innovation and growth.

MANAGEMENT TEAM / STAFFING



SKILLS AND EXPERIENCE

Our approach is somewhat unorthodox in that we rarely advertise in newspapers for "parking lot cashiers and attendants", etc. If classified advertising is used, we generally head the advertisement to read "Customer Service Representative" or "Customer Service Associates". Generally, a direct advertisement for "parking lot attendants, cashiers", etc., does not attract the caliber of applicant we are seeking. Our preference is to hire individuals with no parking experience. We have found that our training and quality assurance programs are more successful if our "new hires" start fresh, not having brought any bad habits with them.

Most of our candidates come from clients and current employee referrals. We have numerous families with multiple family members working for us. PCI company policy prohibits one family member from reporting directly to another family member. We target non-parking industries in our search for job applicants. Hotels and hospitality related companies such as caterers, event planners, banks, etc., are good sources for young energetic, customer service oriented candidates. Our District Managers and executive staff spend a great amount of time "in the field". This, we believe, is significantly more than any other company. All of us are on the alert for sharp individuals that may consider a job change. We will routinely hand a business card to an individual that has demonstrated the desired attitude, aptitude, character, appearance and energy to be a good customer service-oriented employee.

You can rest assured that PCI has high standards for hiring and training of employees. In today's labor market, hiring employees who meet our standards is a difficult task. We have devoted substantial resources and

implemented innovative programs to assure a pool of qualified applicants. We have not lowered our standards. Once a candidate is identified, the following criteria are reviewed and must be met before employment is offered:

- Possession of all required licenses.
- Demonstrated ability in the area of customer service.
- Able to speak, write and understand English; possess the capability to perform simple mathematic functions.
- Provide proof of U.S. citizenship or legal alien status, must have lived in the U.S. for three years.
- No negative feedback on former employment references.
- Express compassion and sensitivity for customer service and assistance.

All individuals are subject to our stringent interview and screening process that includes the following:

- Written job application including detailed work history, residential and educational background.
- Confirmation of work history and personal references. (We do check references.)
- A seven year background check based on Social Security number.
- Personal profile, drug screen and integrity profile testing.
- Testing for communication skills, aptitude and attitude.
- Verification of legal residency and right to work.

When a new employee is hired, he or she is issued a written set of work rules, which outlines PCI's policies and procedures. There will be no misunderstanding as to exactly what is required of each employee. In addition to work rules, each new hire will be issued a written job description consistent with the position for which he or she was hired.

PCI clearly understands that our staff acts as the ambassadors for the Port and the Cruise Lines and Catalina Express, as well as PCI. In essence, we will be the first and last impression your visitors will have during the beginning and ending of what may very well be the trip of a lifetime. We take this responsibility very seriously and will promote an environment that is unfailingly friendly and helpful. We intend to do this by providing continuous training for the staff working at the Port's parking lots.

HIRING AND TRAINING

PCI has high standards of the hiring and training of employees. In today's labor market hiring low wage employees who meet our standards is a difficult task. We have devoted substantial resources and implemented innovative programs to assure a pool of qualified applicants. We have not lowered our standards. All individuals would be subject to our stringent interview and screening process. All employees working for PCI follow company policies as outlined in our Employee Handbook. Our manual details PCI's philosophy, expectations, rules and regulations. We stand behind our manual and expect all employees to follow the behavior and beliefs within it.

PCI's turnover rate is among the lowest in the parking industry. We believe that there are several contributing factors. They are:

- a. An aggressive and comprehensive screening process. The service industry is not for everyone. Individuals not suited for employment in this industry should not be hired in the first place. We attempt to eliminate these individuals through aggressive screening.
- b. Career advancement opportunities. Most of PCI' management and supervisory staff (over 70%) have been developed internally.
- c. On-going training and development programs are available for all employees.
- d. Competitive wages and benefits.
- e. Employee recognition, awards and bonuses contribute to PCI's "a job well done" appreciation programs.
- f. Education financial assistance programs.
- g. Flexible work schedules.
- h. Active involvement by all senior management in the day-to-day operation of our facilities.

The key difference that sets PCI apart from its competitors is the direction and support provided to our managers. PCI senior management is continuously involved with each location. Not just at "contract time" or when an RFP has been issued, but consistently and routinely throughout the duration of the contact.

Overall, PCI is well respected and highly regarded as a great company to work for. In fact, several of our competitors would be shocked to know that many of their current employees have applied for employment with PCI. PCI is known as a firm that treats all employees fairly and respectfully. Cashiers and attendants are just as much a part of the "team" as supervisors, facility managers, etc. In fact, we believe that the front line employees are the key to presenting a positive image to the general public and our clients. Even though PCI presently employs over 1,400 parking and transportation professionals in California, practically everyone has met and personally knows the principals and senior executives of the Company.

There is a reason that PCI has a turnover rate that is among the lowest in our industry. The reason is that senior management cares about the front line employees, respects the difficult job they do and wants to give them the tools, support and assistance necessary to provide service with pride to all of our parking customers and clients.

All of our executives are mature, energetic and seasoned parking professionals. You can rest assured that PCI can provide creative but realistic solutions to any parking problem.

PCI has an extensive library of handouts, books and tapes to train our staff. In addition, we focus on key areas during each of our training sessions whether it is dealing with angry/upset customers, learning the geographical area to give directions, or simply the benefits of knowing the type of customer attendants may come across. We have discovered that routine and fun training sessions such as ours dramatically improve and increase morale for both the attendants who go through our program as well as the customers who encounter our customer service trained staff member.

It is our belief that the foundation for excellent parking service is excellent customer service. The standard of excellence must be set at the highest levels of the organization, that standard must be meaningful and adhered to. The standard is conveyed to our team members through a program that we call "Service Plus!" We believe not only in external customer service, but internal customer service.

PCI (PCI) was founded in 1974 with the mission to continually provide quality parking services that are progressive and innovative to enhance our clients' image and financial goals. PCI has never altered this mission and continues to deliver a service that is unparalleled in commitment, value and customer satisfaction. When PCI was founded, we recognized that we were in a very competitive business. Some companies were building national empires. Others were diversifying into uncharted areas. Early on, we decided to focus on what is still the most important consideration in the parking business. And that extraordinary word is service. The PCI management team is involved in all aspects of every parking facility we oversee. Each team member is motivated to achieve exceptional results.

We are extremely proud of our reputation and are unequalled in providing the highest level of service, in a professional and cost efficient manner. The preceding is part of our home page on our web-site (www.parkingconcepts.com). But our commitment to customer service goes far beyond an internet message. We understand the importance of providing a formal orientation to new hires and providing continual training and reinforcement to our seasoned staff. Our hiring process consists of more than the parking industry standard of "When can you start?"

There are inherent operating difficulties with these most cursory of orientation and training programs. Fostering a sense of allegiance is definitely hampered. More important, opportunities to impart wisdom, experience, and a unified preferred approach are lost. A sound new hire orientation should leave new employees with the belief that they are part of a team, and that their responsibilities and duties are designed to support that cooperative effort. New employees also will likely be exposed to gratuitous behavior from some customers, yet with appropriate training, be able to come away prepared for the inevitable confrontation with an understanding as to how best to react.

All organizations, whether they are an enormous government system or a small family-run parking enterprise, have a mission and a core set of values and goals. Some organizations emphasize customer service over all else; for others, a quality product is the driving force. Others care foremost about profitability. And still others incorporate all three into their credo.

PCI has a strong commitment to its new employees and demonstrates this by a vigorous new hire orientation program that set its expectations squarely in front of these employees before they ever see a customer. In addition to preparing employees for the worst, our orientation program focuses on positive customer service, etiquette, proper appearance, acceptable work habits, revenue integrity, attendance policies, housekeeping and safety. Our successful orientation program involves the upper echelons of management in material presentation as it demonstrates to new employees that they're part of our team and that our team wants them. At the conclusion of orientation and training, new employees understand just what is and what is not expected of them.

A thorough and comprehensive new hire orientation and training program helps to counter negative impressions that we may make. Our annual budget contains money allocated specifically for orientation, and an orientation program is incorporated into the new hire checklist. When we established and implemented our program, consideration was given to our company philosophy, training and procedures. We plan for the orientation to take a minimum of two full days.

The first day is devoted to immersion in the values of the organization. Special attention to the basic guiding principle is an important start. This key tenet is reinforced throughout the session to ensure that it is instilled in the new employees and that they do not dismiss it as an artificial or contrived catch phrase.

Senior management, including ownership, if possible, has active roles in the initial phases of the training. They introduce themselves and explain their positions within the company and how the new hires' positions relate to their own responsibilities. This helps the new hires to recognize their own importance in the organization and establishes a relationship between new hires and the executive level. It means a lot to brand-new employees to go home after their first day and boast to family that the company president met and welcomed them. And often, senior management inspires new employees when it is learned that a company executive began his or her career in the very same position as the new hire. (And as this is the case with PCI, it is capitalized on and utilized as an implied incentive.) Additionally, the first day of orientation contains thorough explanations and examples of the following:

- Behavior, both expected and unacceptable;
- Dress code;
- How to greet, address and thank customers;
- How to appropriately answer the phones;
- Proper responses to a variety of inquiries;
- How the parking rates are structured;
- How to handle an angry, belligerent or intoxicated customer;
- How to handle damage claims or requests for refunds;
- Attendance and on-time policy;
- Job performance standards;
- Emergencies;
- Safety;
- Regular and exception transaction handling;
- Cash handling procedures;
- Filling out paperwork

The second day consists of a full day of one-on-one hands-on training by a supervisor or senior employee. The new employee shadows the instructor for the beginning portion of the shift and then takes over for the remainder of the shift with the instructor observing closely. At the end of the shift, a critique is conducted and the new employee is made aware of any deficiencies. At this time, the new employee should be ready for work on his or her own; or if needed, additional training may be required.

An employee handbook is made available to each new hire. After orientation is complete, new employees sign a form indicating their receipt of the handbook, their completion of the orientation and training, and their understanding and acceptance of what is expected of them.

PCI CUSTOMER SERVICE PROGRAM

- To build awareness of the importance of excellent "guest" service - to the parking public, to the organization and to the guest services provider (our employees).
- To refine skills and confidence to meet and, whenever possible, exceed the guests personal and practical needs for parking services.
- To create understanding that excellent service requires through preparation, effective customer interaction, and timely follow-through activities
- To build skills that provides consistent and balanced everyday service excellence.
- To build skills to better deal with difficult, unexpected, or challenging situations.
- To demonstrate the critical importance of the teamwork to meet or exceed customer needs.
- To encourage the initiation of (and follow-through on) ideas to reach and sustain excellence in customer service.
- In all program content, to develop skills and commitment, and to transfer both to the job.

TRANSITION PLAN

As we are the incumbent, our proposed transition plan will likely be very different from all of the other proposals. Should we not be selected to continue as your parking services provider, we will conduct ourselves in a professional and conscientious manner. We rarely are in the position in which we are handing over an operation, but two of our most recent transitions occurred several years ago as we transferred away from managing the Los Angeles County Beaches and Harbors project, which was comprised of 33 lots and over 11,000 spaces, and five lots and garages, in the Hollywood and Venice areas, that were managed for the Los Angeles Department of Transportation. In each of these reassignments we were fully cooperative, offered weekly progress meetings to the incoming operators, and were available, at any time, to provide training, guidance, insight and impart information and resources. Both transitions were flawless, and we were thanked by the clients for our professionalism.

PARKING MANAGEMENT SYSTEM

We have explored two options to accomplish updating and improving the current parking system:

We believe that the best fashion in which to update and improve the Parking Access and Revenue Control System (PARCS) is to provide Pay-on-Foot (POF) capabilities, allowing the Port's parking patrons an opportunity to pay for their parking prior to getting into their vehicle and prior to arriving at the exit gate and thus, streamline and speed up the process by which they depart the parking lot and begin their trip home.

The first component to this is to obtain POF Stations from the existing PARCS vendor – Amano – and add them to the system. We propose placing three POF Stations at the World Port Center for cruise ship patrons to use to make payment. One of these stations will accept credit, debit and cash payments, while the other two will be credit and debit payment only. Parking planners calculate that, under ideal circumstances, one POF can provide a flow rate of up to 900 patrons per hour. We will have three POFs at the World Port, and a fourth POF at Catalina Express that will accept credit, debit and cash payments. The advantages for this are several and important. First, and foremost, the exiting progression is considerably quickened to the patrons' benefit. Second, and perhaps almost as important, parking payments can be accomplished at any time and exiting will no longer require a manned cashier booth.

We also believe that an integrated License Plate Recognition (LPR) system is of tremendous value to the operation. We take a nightly inventory of the parked vehicles and record each car, its location, and its length of stay in the facilities. An automated, integrated LPR system will expedite this process vastly and upload license plates into the PARCS, offering an opportunity for a cashier to verify a vehicle's stay, in case of a lost ticket, or a customer protest.

REVENUE CONTROLS

Cashiering procedures are fairly well defined by the type of equipment that is presently in place. We have extensive hands-on experience with Amano Parking Access and Revenue Control System (PARCS). We operate numerous locations with all of the various Amano systems including POF fully automated facilities.

At a minimum, every day the following procedures will be performed:

- A. At the end of each business day, each facility will be inventoried by taking a physical car count of all vehicles in the lot. The total number of vehicles is to be recorded on the daily master report. Concurrent with the lot inventory, verification will be made that the perimeter and all equipment are secure. Closing ticket/transaction numbers will be recorded for each ticket dispenser and POF machine.
- B. Commencing the next business day, the "opening ticket/transaction number" for each lane, or P-O-F Station, is to be recorded on the Daily Master Report by the Manager or supervisor and this number must be the same as the previous business day's "closing ticket number". Any variation in the numerical sequence of tickets must be recorded in the incident log and investigated by the General Manager.
- C. Each cashier will operate with a \$100.00 change fund and to the extent practical, the cashier will be required to deposit all cash in excess of his or her \$100.00 change fund in a lock box canister (or drop safe). Change funds will be issued each day, to each cashier, when he or she reports to work.
- D. Every vehicle entering the facility will be issued a ticket. The only exception will be bona fide monthly parkers with active access cards. Every cashier/attendant that handles money will be required to complete a shift report itemizing all revenue activity. Where more than one cashier is handling money at the same time there will be shift reports for each individual and these shift reports will be combined by management personnel to form the "Daily Master Report". A Daily Master Report will be completed everyday for each location.
- E. For Pay-on-Foot Equipment (POF) we utilize a two-staff crew to collect from each POF machine, each morning. We open each POF and collect the automatically generated report. Then, the vaults are swapped out – the bill dispenser vaults and the collection vault. These are brought back to the office, where they are opened and counted behind locked doors and then placed in the safe until deposit.

Attached to the "Daily Master Report" will be all shift reports totaling and equaling the summarized activity as referenced on the "Daily Master Report". All detail tapes and computerized reports that are generated from the fee computers and/or automated fee collection devices will also be attached to the Daily Master Report.

The "Daily Master Report" will at a minimum reflect, on a summarized basis, the following:

- A. Beginning and ending ticket numbers, by lane.
- B. Total tickets issued.
- C. Total tickets collected.
- D. Total unaccounted for tickets (there should be none).
- E. Explanation for "unaccounted for" tickets (if any).
- F. Total tickets collected with extensions.
- G. All validation or N/C tickets broken down by category.
- H. Cash over/ (short).
- I. Number of transient vehicles in lot at the end of each day.
- J. Any unusual activity or incident will

In addition, the report will reflect the d;
cash on that particular day.

A Daily Master Report will be prepared for each lot for every day of the week. Even if the lot is closed or no revenue is generated, a Daily Mater Report will be completed stating "NO REVENUE". On a daily basis, this information is reviewed, checked and verified and then the information is input into our computer database to produce our Daily Sales Journal and our Monthly Statement of Operations.

This information is also used to produce various reports for audit and operating analysis. We have developed systems that enable us to quickly spot potential problem areas. We pay very close attention to the various "numbers" being generated at each location we operate.

To maximize control and minimize the risk of loss, we will be utilizing a combination of security and deposit techniques. All cash receipt activity will be recorded and reconciled by supervisory / clerical personnel. The revenue, after processing, will be bank deposited each business day via armed transport (Dunbar). A "third party" will verify that the accumulated deposit slips that are attached to each Daily Master Report equals the total cash activity as referenced and illustrated on the cashier's shift report(s).

Our system for cash handling separates the person collecting the revenue (cashier), from the person counting the money (office personnel), from the person reviewing and completing the Daily Master Report (Parking Manager). Significant collusion would be required to circumvent our cash handling procedures.

All revenue generating activity will be separately accounted for. Transient, validation, monthly, film crew, special event, etc. will all be accounted for separately so that each category can be reconciled and broken down in detail.

An "exceptional transaction" is defined as any abnormal transaction or procedure. All exceptional transactions will be recorded and maintained on a per incident basis with the Daily Master Report. The following items are a brief representation of exceptional transactions that would be recorded:

- Customer refuses to pay.
- Mutilated ticket.
- Lost ticket (pays maximum).
- Transient customer claims they did not receive ticket from dispenser when entering.
- Any system "override" procedure such as manually opening the barrier gate to allow transient cars to exit.
- Improper or insufficient validation/customer refuses to pay balance.
- Monthly parker with invalid or expired access card allowed to exit without paying.

Performance Measurements / Reporting

We trend everything: revenue by day, by facility, by shift, by lane, by attendant. We also trend parking occupancy, customer complaints, exceptions, and every other type of important metric, in the same fashion. We develop performance benchmarks in this manner and are able to establish measurements, and can report to the Port's performance history, our performance goals, and future trends.

We continue analyzing and reporting the activity statistics and the result is always favorable for our client, the parking public, and our staff.

Various Levels of Audit

Parking is primarily a cash and credit card-based industry that earns nationally about \$35B a year. Our clients base a portion or, in some cases, all of their budgets on the expected revenue from parking. Variances to their budgets not only affect their profitability but, if reduced, could result in cutbacks, including job loss. We have a fiduciary responsibility to ensure that our clients' revenue is safe, accounted for, and intact.

There is a financial component to almost every activity in parking, from the revenue collected at a cashier booth to the income derived from selling monthly parking permits to the wages paid to the employees. An audit either provides documentation that the parking operation is functioning as it should, or uncovers weaknesses in the operation - employees, patrons, systems, programs, etc. Overall, it is simply a good business practice.

We employ a thorough and comprehensive series of internal auditing that encompass and drill down to the very essence of revenue integrity. Our Director of Internal Audit, Richard Raskin, is a nationally recognized expert in audit and was invited to provide a seminar on auditing at the California Public Parking Association's annual convention this past November.

Our internal audit department will perform on-site audits on both an announced and unannounced basis. The primary focus of these audits will be the integrity of cash receipts, the man-hour schedule, maintenance, time cards

and other areas of contract compliance. These audits are quick "spot check" types of review designed to be performed at any time by any of Parking Concepts management staff. Although these audits are easily performed and designed to be brief in nature, they are very effective in surfacing problem (or potential problem) areas.

A payroll audit is performed randomly on an unannounced basis. The purpose is to distribute payroll checks while requiring formal identification. This audit is performed unannounced, two times per year by home office audit staff. We employ several independent, but interrelated, levels of audits:

Primary: This is the first review of daily activity. An on-site audit clerk or supervisor checks the cashiers' shift reports. The purpose of the primary audit is to confirm that the cashiers are conducting all of their activities in accordance with established revenue control procedures and operating policy.

Booth Audit: Booth audits are performed in all of the cashier booths for a single and complete operational day and help measure and benchmark the actual activity factors present at each facility.

Secondary: Secondary audits review cashier activities and also the activities of supervisors and the facility manager. These audits review trends, deposit activity, staffing, and expenses.

Full Scale: Full Scale audits are usually conducted by internal audit personnel, or often by an independent CPA firm or parking auditing/consulting firm. They assess the parking operation's revenue integrity; include an extensive review of the records to determine if the proper revenue controls are in place and if staff is following the established procedures. They also include a thorough review of the operating expenses to determine if they were incurred at the facility, were allowable under terms of an agreement, and were within industry standards.

Our Internal Audit staff will review and monitor daily master reports, staffing schedules, revenue trends, and other pertinent reports associated with the Port's Parking Facilities. Operators typically provide primary and secondary auditing. Primary auditing is the first review of daily activity. In each facility, an on-site supervisor or manager checks the cashiers' shift reports. The purpose of the primary audit is to confirm that the cashiers are conducting all of their activities in accordance with established revenue control procedures and operating policy.

Secondary audits review cashier activities and also the activities of supervisors and the General Manager. These audits review trends, deposit activity, staffing, and expenses. There is another, highly recommended audit step that should be regularly performed at the non-automated Port's facilities. A booth audit should be performed in all of the cashier booths for a single and complete operational day. This will help measure and benchmark the actual activity factors present at each facility. Booth Audit procedures are provided as an exhibit at the back of this proposal.

FULL ON-SITE AUDIT PROCEDURES

- A. Review audit file for previous audit reports.
- B. List all past deficiencies noted and review as field audit is performed.
- C. On (unannounced) audit day, be on site by 6:30 a.m. to observe startup procedures.
- D. From Personnel and Payroll records, prepare a list of all employees including management
 1. List hire date, wage rate, and any other information that may be pertinent.
 2. Verify that all wage rates are in compliance with our records
 3. Check personnel files for completeness of 1-9 Form and DMV and background check.
 4. Comment, by employee, on their appearance with respect to uniform, neatness, Photo I.D., etc.
 5. If possible, comment, by employee, on their attitude towards their job and the general public.
 6. Ask each employee to produce sorn
- E. Check time cards and payroll records chi:
periods prior to audit.
- F. Check time cards and payroll records to insure that we are in compliance with all contract, state and federal wage and hour laws.

1. By employee, check time cards to pay sheets.
 2. Are all time cards clocked in and out?
 3. Are all time cards signed by both employee and Manager? If not, why not?
- G. Obtain staffing schedule from Manager and incorporate into audit write up.
1. Is staffing schedule sufficient?
 2. Is staffing schedule excessive?
 3. There should be no scheduled overtime.
- H. Verify change funds issued to cashiers.
1. Reconcile petty cash fund.
 2. What records of cash audits performed by Manager are available?
 3. List dates of last three cash reconciliation audits performed by Parking or General Manager.
- I. Validations
1. Reconstruct all validation book sales for the most recent complete calendar month.
 2. Confirm that beginning monthly and ending monthly serial numbers match the previous months ending and subsequent months beginning numbers.
 3. Based on books issued, or by reports of chaser (follow-up) tickets issued, by rate category, compute dollar value and compare to Monthly Statement of Operation for subject month. With the exception of documented account(s) receivable, there should be no variance.
- J. Liability
1. Are liability limitation signs properly posted at each entrance?
 2. Other than liability limitation signs, what other signs are posted? Where? Are all signs in good condition? If not, submit list for repair/ replacement.
 3. Verify that Parking Concepts telephone number is visibly posted.
 4. Inspect the entire lot or garage for pot holes, broken wheel stops, defective lighting, water seepage, grease or oil spots, insect or rodent infestation, bent posts or poles, unsecured perimeter, etc., and report any significant findings in writing to the General Manager and the Director of Operations and incorporate into the audit write up.
- K. Transactions - a sample of 100 tickets per cashier is audited in order to determine the number of calculation errors.
- L. Uncollected Ticket Analysis - This analysis is the most important aspect of the Daily Parking Audit. If cashiers are not collecting and reporting the appropriate number of tickets issued, this can be a major source of lost revenues due to customer and/or employee theft. It is important that cashiers collect all or most of the tickets issued each day to daily parkers. The industry standard for uncollected tickets is less than 1% for parking facilities that operate 24 hours per day. The goal for a parking facility closed evenings and weekends is to have less than 2% in uncollected tickets. A valet parking facility should have no uncollected tickets.

When there are a significant number of uncollected tickets, it is also important to know when these tickets were issued. For instance, if 90% of the uncollected tickets were issued between 7:30 a.m. and 9:00 a.m., it is quite possible that monthly parkers are responsible. The anti-passback system may not be functioning, allowing the monthly parker to pull tickets to enter the facility and use their key cards to exit. If tickets are being lost throughout the day, it could indicate cashier manipulation. Also, if a parking facility closes in the evenings and most uncollected tickets were from late in the day, it could mean that a significant number of parkers are leaving after the cashier closes. In this case, extending the cashier hours could capture significantly more daily parking revenues.

Parking tickets are arranged in numerical order to determine the percent of uncollected tickets and the entry time of the uncollected tickets.

M. Lost Ticket Analysis - When a customer loses their ticket, they are required to complete a lost ticket form that is turned into the cashier in lieu of the actual ticket. Auditors check to see if forms are properly completed and also how many forms were turned in during the test day. If no forms were turned in, it is highly likely that cashiers are not following procedures and are allowing some patrons to exit without completing forms. On the other hand, if lost ticket forms equal more than 1% of the total tickets collected, a cashier may be using lost ticket forms for manipulation purposes since most lost ticket forms should include revenue. (Most facilities require that daily maximums be charged for all lost tickets.)

N. Reconciliation of Cashier Reports to Register Tapes – All transactions are to be processed through registers at facilities where there are cash registers or fee computers. At the end of each shift cashiers generate closeout tapes that summarize total cash collected, as well as total number of transactions.

O. Reconciliation of Cashier Reports to Daily Cash Report – Daily Cash Reports (DCR) are prepared by parking managers, assistant managers or office clerks, who recap daily and monthly parking, as well as validation book sales. The various Cashier Reports are combined to obtain a summary (DCR) of daily parking information.

P. Cash Composite Analysis – The DCR referred to above lists all income collected on that day. Included in daily income are transient revenues, income collected from validation sales, monthly parking sales, key card deposits, and other miscellaneous income. The deposit slips must equal total revenues collected per the DCR, adjusted (+/-) for revenue "overs and shorts." A common source of fraud occurs when cash is taken from daily income and replaced with a check for monthly parking or validations, since daily income is paid in the form of cash and checks not exceeding the daily maximum.

Deposit slips are reconciled to DCR's for the entire month in order to ensure that they were validated by the bank, equaled the amounts listed on the DCR's, and included enough cash and small checks to support the amounts reported under daily income. A cash composite test is performed for the month to determine if a sufficient amount of cash was deposited to equal transient income.

Q. Monthly parkers are issued key cards for use in facilities with automated access control equipment, allowing access to the entrance and exit barrier gates without the assistance of a cashier. In most systems, monthly parker key card numbers, lane numbers accessed, and entrance or exit times are recorded on a system controller that is generally located in the parking office. Key cards may be activated and deactivated through the system controller.

The source documents for monthly parking controls are the active key cards. It is important that the number of active key cards is equal to the number of paid and authorized free monthly parkers for that month. It is necessary for the parking office to retain a hard copy of the print out of active key cards generated by the card access system each month for audit purposes. Monthly parking records for the month are audited. The auditor's paperwork associated with any significant findings is provided in the back of the report.

R. Reconciliation of Paid Invoices to DCR's – All monthly parkers should be invoiced prior to the first of each month. Paid invoices are recorded on DCR's for the day of receipt and copies of invoices are attached to the DCR. Payments are then included in that day's deposit.

S. Reconciliation of Free and Paid Monthly Parkers to the Active Key Cards - In addition to paid monthly parkers, most facilities have key cards that are assigned to parkers who receive parking at no charge. Examples of free monthly parkers are: tenants who receive free parking based on their lease, building employees, and parking employees. Parking managers are required to keep an updated list of all persons who have active, free key cards. In accordance to the SOP, an invoice should be generated for each active key card. Prior to invoicing for the next month, all key cards for which payments have not been received (unless a building tenant has made arrangements to pay in the arrears) are to be deactivated from the system by the parking manager, who generally has the ability to activate and deactivate cards. A list of active key cards in the system is then printed and saved for audit purposes. The Monthly Parking worksheet, used for this reconciliation, includes the following information: current paid parkers (as per the paid invoices), free parkers (as per the invoices), accounts receivable (as per the location manager), and pre-paid parkers (as per the location manager).

T. Audit of Active Card List – The active card list from the test month is spot checked against actual usage for the test day. This ensures that the active card list provided is a complete list. Cards with activity that are not on the active card list should belong to new parkers. This procedure is completed in order to ensure the manager did not remove active key cards from the system prior to printing out the list. The print out of actual usage is spot checked against the active card list.

U. Accounts Receivable Audit – For the purpose of this section, an account receivable is defined as a monthly parker who has not paid their monthly parking as of the last day of the month. At the end of the month, the clerk, assistant manager, or manager completes a list of accounts receivables. Auditors review the lists to ensure that it agrees with the cards accounted for in section 2 and to verify that cards from unpaid accounts have been deactivated, unless prior written approval is on file allowing for late payment.

The monthly parking accounts receivable is audited.

V. Written Report

1. Prepare a detailed written report addressing each item as referenced in this outline. If any specific item is an uncorrected carry-over from a previous audit report, this should be so noted with date of previous audit report referenced.

2. If the integrity of cash receipts is suspected or is compromised, immediately report observation to the Vice President. Also, expedite written report immediately.

Our Internal Audit staff will review and monitor daily master reports, staffing schedules, revenue trends, and other pertinent reports associated with the Port's Parking Facilities.

We hope to have regularly scheduled meetings, monthly at the very least, with Port Staff to discuss and exchange essential operating topics and develop a unified course of action and direction. In these meetings, specific customer service issues and questions should be brought up and reviewed, as well as information concerning any damage or injury claims and/or customer complaints.

Handling of Customer Complaints

In the service business, a customer complaint is a priority item that must be followed up and resolved in the most professional manner.

Superior customer service is the bread and butter of our business. And when something goes wrong, we make every effort to repair the problem. PCI recognizes that most people will not take the time to register a complaint; instead, they stop patronizing the services, and unfortunately this just doesn't allow us an opportunity to learn about and correct the problem. We also recognize that those who do voice their complaints are, more often than not, sincere and accurate about the shortfall in service expectations that they experienced and that we need to take them seriously if we intend to continue to claim and stake our reputation on that we provide the best service.

Our monitoring system tracks customer complaints or suggestions from inception until resolution. We route the initial contact to a specific manager or director and log it in any of several categories, detailing status, details, resolution, dates/times (opened, resolved and closed), and we track volume allowing us to spot trends and the root cause, as well as performance.

We understand the impact of our performance as it relates to the overall perception of the Port. We are contracted to provide services that ensure an excellent first and last impression, for each and every customer. Reviewing customer feedback on the web not only helps to identify service shortfalls, but also significantly improves our ability to remain proactive with regard to improving service levels. We have excellent ratings on websites such as Yelp, Google, and Yahoo. We encourage all of our team members to remain cognizant of their impact on customers' overall experiences and how each customer experience contributes to our reputation and that of our valued client, in this case, the Port.

We will log and monitor all customer inquiries, requests for assistance and customer complaints, and track start times and times of each step, until resolution and conclusion. These metrics are essential to our staff's

performance and are a part of their job performance factors. Middle and upper management will constantly review these performance levels.

We immediately make a concerted effort to smooth over and turn around the customer’s experience. This is best accomplished by listening, empathizing and promising the customer that action will be taken and that we will follow up with the customer. We generally, at this point, offer to refund the customer’s parking charges and invite them back at no charge. Often, senior management will call back the customer directly and express how seriously we take our commitment to superior customer service.

We then approach the attendant to determine the attendant’s take on the episode. After a thorough investigation, we decide if the circumstances require discipline (which depending on the conditions, may be anywhere from a reprimand up to discharge). In any event, the attendant is made aware of the customer’s complaint and the acceptable behavior is reinforced. We also keep a Customer Service Log in which any and all incidents, their outcome and our follow up, are recorded and made available to the Port Management Staff.

PCI has always prided itself and, in turn, gratified its clients, with the professionalism and graciousness shown towards a client’s tenants and guests, whether they are individual parkers or a group paid for by a company. PCI is proud of the fact that over the past 19 years, we have received more compliments than complaints at the Port.

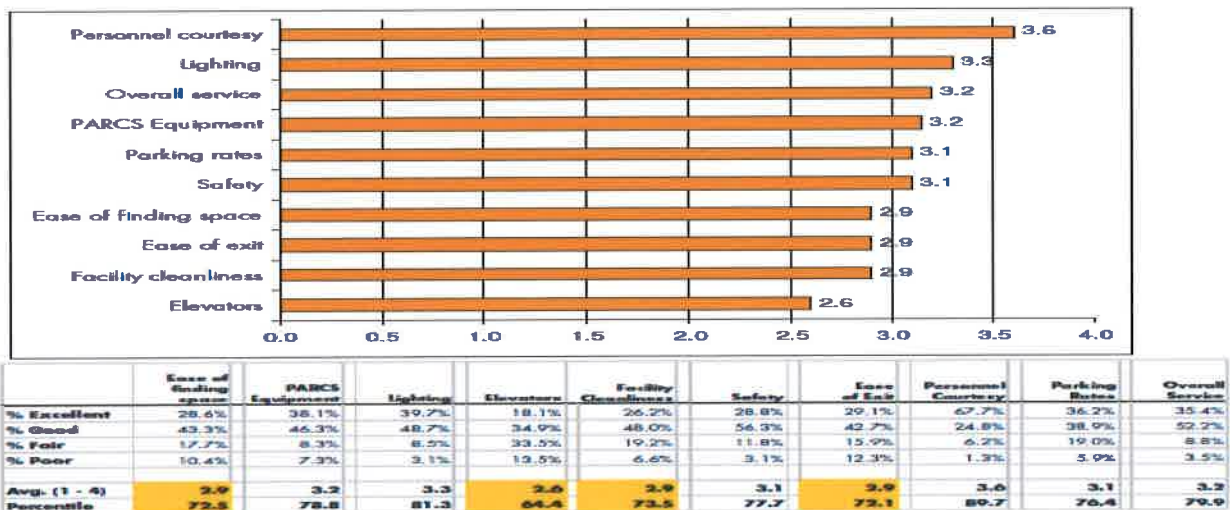
Mystery Shoppers

We also employ “Ticket Shops.” This simple but effective audit entails a "mystery shopper" visiting the site as a regular customer. Upon exiting, the ticket is presented to the cashier by the shopper for payment. Typically, the shopper presents the ticket for payment, like a routine customer. All information such as ticket number, time, amount paid, etc., is recorded. At the end of the shift, the specific ticket is retrieved and reviewed for the correct charge, etc.

Customer Surveys

PCI welcomes and encourages Customer Surveys as one of the best forms of measure in determining the public’s perception of the parking brand we are providing.

While we operated the City of Santa Monica’s parking garages in 2008, a customer wide survey was distributed, by an independent consultant retained by the City. There were 10 separate categories that respondents were asked to rate, from 1 to 4, 4 being the best. It should be noted that the City of Santa Monica was responsible for all facility maintenance. The service levels of the staff that PCI provided, and trained, were ranked the best, and the highest of all of the components surveyed. The results follow:



We will implement annual surveys to continue the practice of understanding where we need to improve.

MAINTENANCE

Parking Concepts has a reputation for maintaining its parking facilities at the highest standards. We take pride in the positive impression our facilities make on our (your) patrons, tenants and guests. A personal visit to any of our parking facilities will clearly demonstrate that regular maintenance is being performed and that daily housekeeping is a top priority item. We have found that both regular and preventive maintenance programs contribute significantly to our overall objective of providing parking and related services in a professional and cost effective manner. Our maintenance program(s) and maintenance-related policies and procedures have been proven effective as evidenced by our low liability insurance rates. The low premium is a direct result of a low loss/incident rate, which is reflective of a sound comprehensive maintenance (and security) program. Our ongoing regular, preventive, and housekeeping maintenance programs contribute greatly to Parking Concepts' ability to consistently exceed our customers' expectations. We intend to work closely with our staff and Port Staff to develop a written maintenance program designed specifically for the Port that is comprehensive and in compliance with agreed upon standards. Specific tasks will be assigned to the appropriate personnel with dates for completion. An independent inspection program will also be implemented to assure compliance with maintenance objectives.

The maintenance worker shall be responsible for assisting customers at all times, maintaining all equipment in a clean and orderly manner and performing cleaning of the parking facility as directed by the Parking Manager. The maintenance worker shall:

- Maintain a clean uniformed appearance at all times.
- Participate in all customer service programs.
- Speak fluent English and be courteous at all times.
- Maintain a positive and pleasant attitude.
- Attend and participate in all company and client-sponsored training programs and seminars.
- Assure the timely performance of all assigned duties.
- Inform management of any equipment malfunction, hazardous conditions, and customer concerns.
- Participate in all safety and maintenance programs. All maintenance workers must be properly trained in all areas of the safety program and be continually aware of the safety of themselves, their fellow employees and the general public.

We have found that both regular and preventive maintenance programs contribute significantly to our overall objective of providing parking and related services in a professional cost effective manner. A comprehensive maintenance program must include preventive maintenance on all revenue control and mechanical equipment.

MAINTENANCE SCHEDULE

	Frequency	Clean	Graffiti Free	Inspect	Maintain	Repair	Replace	Repainted	Pressure Wash & Degrease
Equipment Maintenance									
Air Vents and Louvers	As necessary	X	No less than semiannually						
Doors, Door Hardware, Rolling Gates, Gates, Chains, Locks, Traffic Barriers & Systems	As necessary				X	X	X		
Entrance, Exit, Traffic Control & Directional Signs, Markers & Lights	As necessary				X	X	X	X	
Fire Detection and Suppression Systems	Monthly			X	X	X	X		
Lighting (including directional indicators)									
Fixtures and Lamps	As necessary	X	No less than once every other year						
Lamp Inspection	Daily			X					
Lighting Repair	As necessary					X			
Sign Faces	As necessary	X	X	Detailed on a quarterly basis					
Sump pump systems	Biannual			X	X	X			
Parking Access Devices	As necessary				X	X	X		
Parking Access Devices	Daily	X	Detailed on a quarterly basis						
Venting Fans, Exhaust Fans & CO System	Monthly			X	X	X			
Facility Maintenance									
Ash Urns - emptying	Daily as necessary	X	X						
Ash Urns - sand replacement	As necessary	No less than quarterly							
Columns and Walls	As necessary	X	X	Cleaning no less than once per year				X	
Curb Faces	Semiannual							X	
Driveways and Parking Areas	As necessary	No less than semiannually							X
Expansion Joints	As necessary	X	X	X		X			
Floor Drains	Quarterly	X		X	X				
Office, Break Room, and Cashier Booths	Daily	X							
Paper, Debris, Filth and Refuse	As necessary	X	No less than twice daily						
Parking Surfaces	As necessary			X	X	X			
Pest control	Monthly								
Sidewalks and Curbs	As necessary	29	Y						X
Striping and Directional Markings	Every 5 years							X	
Striping, Curb Faces, Directional Markings	As necessary			X				X	
Structural Glass & Metal	As necessary	X	No less than daily						
Sweeping - hand blown (curbs, gutters, sidewalks)	Daily								
Sweeping - manual or mechanical	Daily								
Sweeping - vacuum truck	Twice weekly								
Trash Receptacles - emptying	As necessary								
Trash Receptacles - scrubbing and disinfecting	As necessary	No less than quarterly							

Sweeping: All entrance, exit lanes, and booths swept daily by maintenance staff. Trash and debris removed.

Trash: All trash cans are emptied daily by maintenance staff.

Landscaping: Trash removed daily and supervisors informed of problems as needed by maintenance staff.

Parking Surfaces: Spills, leaks, excess oil and liquids cleaned and treated by maintenance staff.

Painting: Painting areas directed by managers as needed, touch up paint applied to signs, walls and curbs as necessary by maintenance staff.

Graffiti: Monitored daily and removed immediately.

Appearance of the Facilities

Our goal is to maintain the facilities "like new". The General Manager will conduct a weekly inspection, noting any problems. This inspection will survey and address:

- Lighting
- Facility cleanliness
- Wheel stops
- Striping and directional arrows
- All signage (cleanliness and damage)
- Fencing, or perimeter walls
- Office
- Parking booth
- All control equipment (operation, cleanliness and damage)
- Landscaping
- Graffiti

The Manager shall tour the facilities every day to inspect for cleanliness and proper maintenance. Daily housekeeping responsibilities shall include the immediate cleanup of oil or fluids. Each attendant station shall be cleaned daily. Also, all employees will be expected to pick up trash or debris whenever or wherever it is observed.

MISCELLANEOUS SERVICES

Filming: We will continue to oversee operations at the Port's parking facilities to ensure that they are used in accordance with the permit, and that the permit premises are restored to their original condition. We will ensure that the parking facilities are secured and that no damage occurs during and after filming at the site. We will oversee any post-activity restoration efforts required. The hourly rates for such services shall be set at the lowest level possible and as such, and billing will be immediately upon completion of the use of City property, in accordance with current City invoicing guidelines.

Off-site Parking Lots: We will continue to manage offsite parking lots as needed. We will operate these lots, applying rates determined by the City and/or the Port, and ensure speedy and efficient movement of vehicles, that tickets are issued to each parked vehicle, that the proper charges and fees are collected, and that vehicles are directed to parking spaces, and any other related tasks.

Valet Parking: PCI believes that the Port and its patrons will benefit greatly from the introduction and implementation of valet parking services. Valet operations are best employed in settings where an enhanced level of service is desired, and especially in places where guests can take their luggage directly into the boarding area, reducing the time searching for parking, waiting for a shuttle, and having to remember, after a week, or more, where their car is parked, and then making their way, with luggage, back to their vehicle.

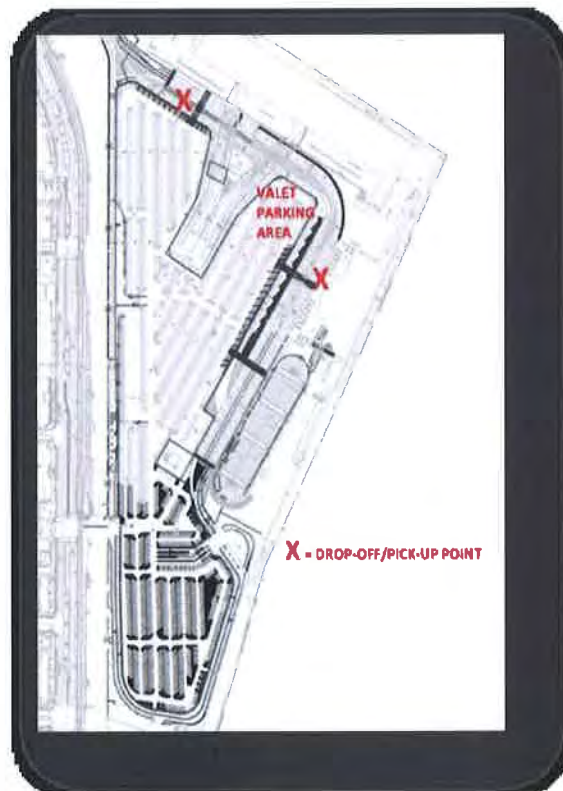
We want to offer this service, which we believe will be strongly received, at the front of the Cruise Center's check-in areas, at both Berths 92 and 93 (see red Xs on to the right). We will add signage to the parking areas, beginning at the front entrance, noting the new service and directing patrons to the area where they are to drop off, and later retrieve, their vehicles. Arriving passengers will be issued two conjoined tickets; one for their parking stay, and one to serve as a valet claim ticket.

Valet attendants will warmly greet the arriving passengers, open their doors, and help unload luggage. Vehicles will be securely locked and parked in a segregated area at the southeastern portion of the lot (refer to diagram on previous page). Keys will be secured in lock boxes kept in the parking office and only brought out on days that the ships return. All drivers will be required to pass our valet tests, and have to have a current and valid California Drivers License. We verify validity, and look for violations, DUIs, criminal history, and insurability at time of hire.

Our insurer automatically re-checks drivers' licenses every three months. We remove any attendant who is found in violation of our standards, or is no longer allowed to drive a vehicle, or be insured, immediately.

We are of the opinion that this service will ramp up considerably and believe that valet rate for the initial year of service should be a flat (and very reasonable) \$10.00, over and above the total of the daily parking charges, with the expectation that the valet rate will increase to \$12.00 in January 2018.

Every service we offer will incorporate the utmost in professionalism, courtesy and class.



TAB N
PARKING EQUIPMENT UPGRADE QUOTE
 EXHIBIT 1

AMANO McGANN

Project Name: Port of Los Angeles Automation
 Proposal Number: Q-00048800
 Proposal Date: 12/2/2016

<p>Submitted to: Parking Concepts, Inc. Customer Name: Peter Martil Address: 100 Swinford St. City, State, Zip: San Pedro, CA, 90731 Tel: (213) 746-5764 Email: pmartil@pcila.com</p>	<p>Submitted by: Amano McGann, Inc. Amano Representative: Eric Loysen Address: 22819 Old Canal Rd. City, State, Zip: Yorba Linda CA 92887 Tel: 714-282-3551 Email: eric.loysen@amanomcgann.com</p>
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Proposal valid through: 3/2/2017

Qty	Model	Description	Price Each	Price Extended
2	AMG-7850/A914	Pay Station, PA-DSS Compliant pre-configured with credit card, coin and note processing functions (U.S.).	\$58,700.00	\$117,400.00
2	AGP-0528/A679	Spare Lockable Note Vault. Zero note escrow unit	\$600.00	\$1,200.00
2	AGP-0529/A680	Spare Note Cassette for Note Dispenser	\$900.00	\$1,800.00
2	AGP-0530/A681	Spare Coin Vault	\$225.00	\$450.00
2	POFSHELTER	Pay-on-Foot Shelter	\$12,000.00	\$24,000.00
6	PRX280M	Amano McGann Format Proximity reader with buffering, power supply and mounting plate. Up to 10" read range. Pedestal for mounting not included.	\$2,300.00	\$13,800.00



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1	AMG-4350/A955	Credit Card Only Central Pay Station Non-FlexScan Ready. Magnetic stripe ticket, credit card, receipt printer, two-tone silver/grey.	\$19,300.00	\$19,300.00
1	AMS5150IPB	Amano McGann Mass Validation Production System. Includes: 15 touch screen computer, Amano McGann Validation Production Software, proximity sign-on/off reader, 50 proximity cards and Validation Issuing Device in custom cabinet.	\$28,000.00	\$28,000.00
1	AMS-SRVR/TWR	Custom Workstation Server (Tower) per iParcProfessional System Specifications. Windows Server operating system.	\$2,500.00	\$2,500.00
1	15-515exp	8 port digi card	\$638.00	\$638.00
1	16-114	1000VA UPS Back-Up	\$254.00	\$254.00
1	AMS001TCIP	iParcProfessional Remote Workstation Software. Remote Workstation (Thick Client) is connected via local LAN connection. Allows report generation, Parker Database edits, and the ability to view transactions.	\$9,120.00	\$9,120.00
1	GE300	Commend, Compact IP-Intercom Server, Basic Housing	\$1,902.00	\$1,902.00
5	G3-IP-4B	IP Subscriber Card. Basic card for 4 subscribers	\$1,636.00	\$8,180.00
1	L3-LAN-4	Commend 4 LAN Connection	\$2,064.00	\$2,064.00
1	L3-IP-8B	License 4B. License for 8 subscribers	\$1,412.00	\$1,412.00
18	ET871A	Digital 2-wire Intercom module with integrated loudspeaker (8 Ohm).	\$748.00	\$13,464.00
18	ET901-D	IP station interface for digital/2-wire with power over ethernet.	\$462.00	\$8,316.00
1	EE900A	IP master and control desk station	\$1,276.00	\$1,276.00
1	G3-TEL	Commend, GE300 Telephone Interface Analog, Auto-Dials Up To 8 Phone Numbers	\$3,100.00	\$3,100.00

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TOTAL SYSTEM SUMMARY

Products Subtotal:	\$258,176.00
Discount:	\$51,635.20
Installation & Technical Services:	\$21,000.00
Miscellaneous:	N/A
Subcontractor Services:	N/A
Freight & Tax:	\$14,958.33
Total System Investment:	\$242,499.13

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Optional Products

Qty	Model	Description	Price Each	Price Extended
1	MOBILE LPR	Genetec Mobile License Plate Capture System - Includes Two (2) Cameras, Laptop, and Genetec Software.	\$31,943.00	\$31,943.00

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Terms & Conditions

Conditions and Disclaimers

- Amano McGann has included our standard Merit Shop Labor Rates for this project. Should Prevailing Wage, Union, and/or PLA Labor be required, additional costs may apply and will be quoted separately.
- Amano McGann assumes work can be completed during normal working hours. After-hours and weekend installation may result in additional fees.
- Amano McGann assumes penalties, liabilities, and/or consequential damages will not be part of the contract terms and conditions.
- Amano McGann reserves the right to negotiate mutually acceptable contract terms.

Installation

By Amano McGann and all work to be performed during the standard business hours of 8:00AM – 4:30PM, Monday through Friday. Additional charges apply for work requested to be performed after standard business hours and/or weekends. Idle time incurred due to absence of escorts, clearances, or inability to enter the work space or other factors beyond our control will be considered a change with added labor hours. Firm start date for installation to be determined after complete order has been received by Amano McGann. Amano McGann will provide necessary training on operation/maintenance of system.

Product Delivery

Estimated lead time for PARCS equipment is 8-10 weeks from receipt of all required order forms and deposit for product delivery, when applicable. Amano McGann will provide a secure off-site storage area for said materials throughout duration of the installation. Such materials will be treated as 'stored materials' for the purposes of payment applications. Unless otherwise agreed upon, price and delivery terms shall be F.O.B. shipping point.

Tax

Prices in this proposal include use tax.

Change Orders

Any alteration or deviation from the above specifications, including but not limited to any such changes involving additional material and/or labor costs, will be executed only upon a written change order for same, signed by both Buyer and Amano McGann. If there is any charge for such alteration or deviation, the additional charge will be added to the contract price.

Bonding, Insurance, & Liquidated Damages

Any bonding requirements are not included in this proposal and shall be provided at an additional charge based upon scope. Any insurance requirements outside of standard coverage's carried by Amano McGann are not included in this proposal and shall be provided at an additional charge based upon additional requirements and terms of coverage. Liquidated damages are not included in this proposal.

Warranty

This proposal includes One Year warranty on parts and labor for defects in materials or manufacture. Warranty does not cover damage or malfunctions resulting from acts of God, collision, vandalism, misuse, electrical surges, power failure, or use of non-manufacturer approved parts or consumable supplies.

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Payment Terms

1. 33% down payment due upon acceptance of proposal. 33% due upon delivery of equipment to AMI warehouse.
2. Remainder to be invoiced upon completion of system installation.
3. Past due accounts will be subject to a late fee of 5% of the amount due.
4. Cancellation of contract or P.O. prior to on-site delivery results in a 25% restocking charge. There is no return or refund on custom products/services.

Proposal Validity

This proposal is valid through **3/2/2017**. If the executed contract and/or purchase order is received after the expiration date, Amano McGann reserves the right to issue a revised proposal.

To be provided by Owner

Concrete and Protection Posts per layout diagrams
Power circuits with connections to lane equipment as required
Empty control wire conduit system (with pull string) per our shop drawings
Integrity of existing conduits, power wiring, and low voltage cable
Integrity of existing equipment and vehicle detector loops
Any required permitting or drawings
Tickets, Access Card and Consumables

Exclusions

No Provisions for Permits, Bonding, or Liquidated Damages

Base Proposal Amount: \$242,499.13

Acceptance & Authorization

THE PRICES, DELIVERABLES, SPECIFICATIONS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. AMANO MCGANN IS AUTHORIZED TO PERFORM THE WORK AS SPECIFIED.

Agreed on Behalf of Parking Concepts, Inc.:



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Signature _____

Print Name and Title _____

Date _____

Billing Address _____

Client PO Number _____

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Warranty

The Amano McGann project management and sales consulting staff understands that no matter how sophisticated a parking system is, it is the ongoing service that will make the system functional and effective. After the contract is signed, Amano McGann sales personnel and project managers stay involved throughout the life of the equipment. The goal is to create customers for life.

Amano McGann is committed to providing you with service to meet the needs of your parking operation. Downtime for parking equipment could mean serious inconvenience for parkers, loss of revenue, or hindrance of ingress. Amano McGann will do everything possible to minimize any system downtime.

This Amano McGann system comes with a Parts and Labor Warranty period of One Year. Your warranty start date will begin upon substantial completion of system. All work is warranted in its entirety to be free of mechanical or electrical defects in design, material, and/or workmanship. Amano McGann will repair or replace all work delivered under the Contract and correct any defect within the Warranty Period at no additional cost. The maintenance service during the warranty period will include all parts, labor, transportation, and support services to successfully perform maintenance, repair, and/or replace any hardware, mechanical, electronic, programming, or software component, to ensure the parking control system performs according to the requirements of the technical specifications. This maintenance service includes all lane equipment, host computer system hardware, operating system, software, and all associated communication sub-systems and peripheral devices.

During this warranty period, work shall be performed during normal business hours Monday through Friday from 8:00AM to 4:30PM. All other service calls shall be billed at cost of services.

This warranty does not apply to situations where damage or malfunctions resulting from fire, flood, earthquakes, elements of nature or acts of God, strikes, riots, collision, vandalism, misuse, electrical surges, power failure, use of non-manufacturer approved parts or consumable supplies, or any other similar cause beyond the reasonable control of Amano McGann.

Amano McGann is confident that we will provide the highest level of warranty service and ongoing maintenance support for the proposed parking control system. Our clients have high expectations, and we continue to provide quick response and resolution to ever changing service needs.

The logo for Amano McGann, featuring the company name in a blue, sans-serif font.

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AMG-4570

ExpressParc®



Exit Pay Credit Card System

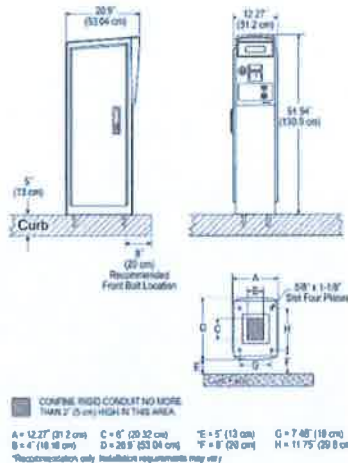
Amano McGann's AMG-4400 ExpressParc® Exit Pay Credit Card System accepts entry tickets and validation coupons, calculates parking fees, accepts and processes credit cards, prints and issues receipts. This unit, which interfaces with an on-line credit card host PC for fee calculation and credit card processing, is extremely cost efficient because it reduces the need for cashiers, allowing for effective employee utilization. The need for inventoried parts and service training is greatly reduced because the ExpressParc uses common hardware components.



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ExpressPass®
AMG-4570



FEATURES

- Increased throughput provides rapid exit from your facility
- Increased exit lanes with no added labor costs
- Real time authorization or batch processing
- Secure — no cash collected, no cash available
- Large selection of financial processors supported
- Built-In Intercom
- Personalized panel option
- Std. panel — "Thank You"
- Dual powder coat finish
- Prox Reader optional

SPECIFICATIONS

COMPLIANCE
PCI PA-DSS (Payment Application Data Security Standard) Compliant AMG-4570 Series ExpressPass® lane equipment does not store credit card data. Meets ADA (Americans with Disabilities Act) and ANSI (American National Standards Institute) requirements.
ELECTRICAL
120 VAC, 60 Hz 220/240 VAC, 50/60 Hz 10 amp max. (120V) 5 amp max. (240V) Multiple I/O capability for ticket tracking, count and monitoring.
MECHANICAL
Automatic dual ticket feed; dot matrix printer; cartridge ribbon; exclusive RWPV™ read, write, print and vault magstripe mechanism.
TIME CONTROL
Real-time clock synchronization with host computer Built-in crystal controlled perpetual calendar Programmable Daylight Saving Time adjustment.
ENVIRONMENT
Temperature: -20°F - 120°F (-29°C - 49°C) Automatic thermostat-controlled heater included
Humidity: 10% - 95% (non-condensing)
HOUSING
Heavy-duty, 14-gauge steel construction, weather gasketing, lockable door
Dimensions: 51.54 ft x 12.27 ft x 20.9 ft (1578.9 cm x 371.2 cm x 637.0 cm)
Ticket throat: 41" (104 cm)
Weight: 152.5 lbs. (69.17 kg)
Finish (Standard): Argento Silver (#305) cabinet / Classic Grey (#314) side panels White (RAL 9003); custom color available.
PRINTER
Prints credit card type receipt (entry date and time, exit date and time, parking fee, card type, partial card number, transaction number).
TICKETS
Uses barbed tickets; 5,000 tickets/carton Credit card size tickets: 2-1/8" x 3-3/8" (5.41 cm x 8.59 cm) Holds 1,000 used tickets in vault; holds 5,000 receipts.
COMMUNICATIONS
Interfaces with an on-line credit card host PC for calculation and credit card processing.
OPTIONS
2nd I/O Rack (passcard reader lockout) Magstripe and proximity access card readers optional.
INTERCOM
Ajphone™ IEF series intercom system Standard user recordable voice announcement.
<small>Manufactured by Amano McGann, Inc.'s Ohio factory, an ISO 9001:2009 registered facility. Specifications are approximate and are subject to change without notice. All equipment does not apply to 220V/60Hz AC, 50/60 Hz.</small>

REPRESENTED BY:

AMANO McGANN.

Corporate Headquarters 651 Taft Street NE, Minneapolis, MN 55413
Tel: (612) 331-2020 www.amanomcgann.com

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AMG-4300

ExpressPark®

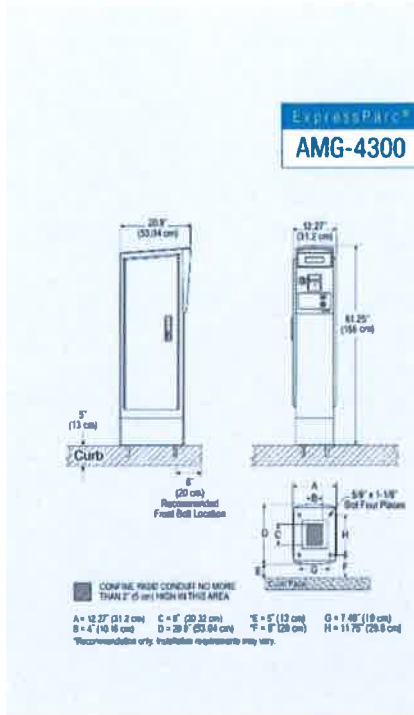
**Credit Card Only
Central Pay Station**



The AMG-4300 Series ExpressPark Credit Card Only Central Pay Station is typically located at a central location within the parking facility. The system accepts entry tickets, expired exit tickets, validated tickets, and mag-stripe validation coupons, calculates the parking fee, accepts and processes the credit card, prints and issues a receipt on request, and issues a paid exit ticket.

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ExpressParc[®]
AMG-4300

FEATURES

- Increased throughput provides rapid exit from your facility* ◀
- Real time authorization or batch processing* ◀
- Secure — no cash collected, no cash available* ◀
- Large selection of financial processors supported* ◀
- Built-In Intercom* ◀
- Personalized panel option* ◀
Std. panel — "Credit Card Only"
- Dark powder coat finish* ◀
- ADA Compliant* ◀

REPRESENTED BY:

AMANO McGANN

2880 Pettibon Road, Roseville, MN 55113
Tel: (612) 331-2020 www.amanomcgann.com

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SPECIFICATIONS

COMPLIANCE

AMG-4300 ExpressParc[®] does not store credit card data.
Meets ADA (Americans with Disabilities Act) and ANSI
(American National Standards Institute) requirements.

ELECTRICAL

120 VAC, 60 Hz
220/240 VAC, 50/60 Hz
10 amp max. (120V) 5 amp max. (240V)
Multiple I/O capability for ticket tracking, count and monitoring

MECHANICAL

Automatic dual ticket feed; dot matrix printer, cartridge ribbon;
exclusive RWPV™ (read, write, print and vault) mag-stripe mechanism

TIME CONTROL

Real-time clock synchronization with host computer
Built-in crystal controlled perpetual calendar
Programmable Daylight Saving Time adjustment

ENVIRONMENT

Temperature: -20°F ~ 120°F (-29°C ~ 49°C)
Automatic thermostat-controlled heater included
Humidity: 10% ~ 85% (non-condensing)

HOUSING

Heavy-duty, 14-gauge steel construction, weather gasketing, lockable door
Dimensions: 61.25 H x 12.27 W x 20.9 D (155 cm x 31.2 cm x 53.04 cm)
Ticket throat: 38-3/4 (98 cm)
Weight: 135 lbs. (61 kg)
Finish (Standard): Grey Classic (#314) / Argento Metallic (#305);
White (RAL#9010); custom color available

PRINTER

Prints credit card type receipt (entry date and time, exit date and time,
parking fee, card type, partial card number, transaction number)

TICKETS

Uses fanfold tickets: 5,000 tickets/carton
Credit card size tickets: 2-1/8" x 3-3/8" (5.41 cm x 8.59 cm)
Holds 1,000 used tickets in vault; holds 5,000 receipts

COMMUNICATIONS

Interfaces with an on-site credit card host PC for calculation and credit
card processing

OPTIONS

2nd I/O Rack (passcard reader lockout)
Magstripe and proximity access card models optional

INTERCOM

Auhone™ LEF series intercom system
Standard user recordable voice announcement

Specifications are approximate and are subject to change without notice.
All dimensions shown and apply to 220V/60Hz AC, 50/60 Hz



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AMG-7800

Series



**Pay-On-Foot
FlexScan Ready
Central Pay Station
shown with optional
Barcode Matrix Scanner
FlexScan QR400**



Amano McGann AMG-7800 automatic FlexScan Ready Central Pay Station is designed as a fast pay-processing unit and is perfect for large-scale 24-hour operations. A large easy-to-read 15-inch flat panel color display and lighted guidance system leads users through easy-to-follow transactions enhanced with screen prompts and voice announcements. Transactions are faster and easier for the user – virtually eliminating long lines and delays.

The integrated FlexScan™ QR400 extends the functionality of the central pay station adding the capability to scan linear and 2D barcodes. Credentials can be scanned from various printed and electronic media formats including paper, event tickets, ID badges and smartphones.

Utilize the iConnect® Partnership Program for custom integration with your IT operation. Control the process all the way to the lane.

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Central Pay Station
AMG-7800

FEATURES

- Ergonomic, customer-friendly, compact modular design
- Large, easy-to-read 15-in. flat panel display
- Intuitive, easy-to-use lighted guidance system helps patrons make fast transactions
- Barcode matrix scanner (FlexScan QR400) optional
- Custom IT integration available utilizing iConnect
- Superior coin/short bill detection/rejection technology
- One-drop change location eliminates confusion
- Accepts notes and coins. Faster, more reliable electronic coin-replenishing coin system eliminates labor with option for up to three recycling coin hoppers and a fourth non-recycling hopper
- Dispenses notes (up to 3), coins (up to 4), and receipts
- Large, 6" receipt roll – saves labor, and improves security
- Uninterruptible power supply
- Note storage in individual, lockable cassettes
- Scalable hardware/software
- Multiple languages are programmable, including English, French and Spanish

REPRESENTED BY:

SPECIFICATIONS

COMPLIANCE

PCI PA-DSS (Payment Application Data Security Standard) Compliant
 AMG-7800 Series Pay Station does not store credit card data
 Meets ADA (Americans with Disabilities Act) and
 ANSI (American National Standards Institute) requirements

ELECTRICAL

Power Source: 120VAC, 60Hz
 Utilization: 3 amp normal, 10 amp maximum

ENVIRONMENT

Temperature: 14° F to 104° F (-10° C to 40° C)
 Automatic thermostat-controlled heater and fan included
 Relative Humidity: 10% to 90% (non-condensing)

HOUSING

Height: 64.25" (1631.95 mm)
 Width: 31.5" (800 mm)
 Depth: 27.2" (692 mm)
 Construction: Sheet steel housing
 Cabinet Finish: Textured powder coat finish Gray Classic 314 (RAL #7016)
 Door Finish: Metal door with painted molded plastic overlays
 Total Weight: Approximately 800 lbs. (363 kg)

BARCODE MATRIX SCANNER

Opening: 3.5" w x 2" h (8.89 cm x 5.08 cm)
 Barcode Types: 1D (Linear) & 2D (QR-code)
 Ambient Light: Total darkness to 9000 ft. candles (96,900 LUX)

TIME CONTROL

Quartz oscillated, accurate within ±3 seconds per week at 68° F to 86° F (20° C to 30° C)
 Perpetual calendar
 Programmable Daylight Saving Time adjustment

ON/OFF-LINE OPERATION

The model AMG-7800 may operate as a stand-alone unit utilizing the reporting functions of the pay station.
On-Line Operation: Utilizes RS-485 communication with the parking management software host. Data sent from the pay station to the host PC includes individual transaction data, alarm and event messages. Data sent from the management software to pay station includes program data updates, time synchronization, backup/audit data and in/out of service status.
Credit Card Operation: Utilizes ethernet communication to AMS Charge Server

SECURITY

Multi-point safety lock system
Access Lock: Secures the main locking mechanism utilizing a plug type lock to be removed in order to gain access to the inner lock.
Inner Lock: Secures the pay station door utilizing a T-shaped key
 Intruder alarm
 Security locks on money handling compartments

UNINTERRUPTIBLE POWER SUPPLY (UPS)

Protects the pay station from poor quality AC line power. Protection is provided from surges, low voltage, high voltage and complete power failure. On power fail, UPS will initiate an emergency shutdown. If transaction is in progress, the transaction will be completed prior to shutting down, the display will go blank and the internal PC will power down. UPS also provides protection of software databases.

Specifications are approximate and are subject to change without notice. All approvals must apply to 220V/240V AC, 50/60 Hz



AMANO McGANN

2800 Patten Road, Roseville, MN 55113
 Tel: (612) 331-2020 www.amanomcgann.com

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DATASHEET

Series EE 900A



IP DSP-Intercom Stations Series EE 900A

The dynamic, timeless design of the station series EE 900A fits perfectly into any modern office environment. The graphic display with backlight shows a multitude of functions. Via the menu function it is possible to scroll through a subscriber index or function list and to call up a specific function directly. Calling number and name are indicated as well as messages, call type and events, for e.g. alarms. A bright multifunction LED clearly indicates different conditions of the station's operation. An integrated output amplifier allows different

volume levels to be set for conversations, sounds, reception of music etc.

The Intercom station series EE 900A is manufactured in state-of-the-art DSP-technology, which enables functions such as OpenDuplex®, Audio Monitoring or Loudspeaker-/Microphone Surveillance. The stations are prepared for future functions which can be activated by updating the software.

1 EE 900A

Desktop master station in a modern, ergonomic housing. Reinforced alphanumeric, silicone keypad (alphanumeric keypad with six additional function keys), temperature-compensated graphic display (8 lines with 14 characters each), electret microphone, loudspeaker, multifunction LED. Handset function with automatic switching (on the desk as a desktop station with excellent hands-free speech quality, when picked up as handset with reduced volume). The position switch (BC) (proximity sensor) can also be used for other functions, e.g. call forwarding. Possibility for connection of external headset or headphones.

2 EE 972A

Desktop master station like EE 900A, in particular for control rooms, with noise-cancelling gooseneck microphone and special anti-rattle stand. Without handset function. The DSP-features Audio Monitoring or Loudspeaker-/Microphone Surveillance are not available for this station type due to the gooseneck microphone.



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Technical Data – Benefits

TECHNICAL DATA

IP rating	IP 50, resistant against dust, dirt, aggressive substances
Keyboard	slidion type with plastic layer, activation force: 1,3 N, 1 x 10 ⁶ cycles
Housing	shock proof ABS plastic
Microphone	EE 900A: omnidirectional electret microphone for max. 7 m (23 ft) speaking distance EE 972A: additional electret noise canceling microphone with cardioid characteristic for 3–10 cm (1–4 in) speaking distance
Loudspeaker	Special membrane type for optimal sound quality, sound pressure: 86 dB(1 W/1 m) (3.28 ft), 8 Ω
Amplifier	built-in amplifier 2.5 W output power with built-in loudspeaker: 1.5 W
Display	White illuminated, full graphic 64 x 84 DOT, 8 lines x 14 characters, temperature compensated
Position switch	3D gravitation sensor
Input	input for floating contacts, max. 1 kΩ
Output	open collector output (30 VDC / 50 mA)
Frequency range	200 – 18,000 Hz
Operating temperature range	0° C to +50° C (32° F to 122° F)
Storage temperature range	-20° C to +50° C (-4° F to 122° F)
Relative Humidity	up to 95 %
Plug	IP Uplink/Downlink: shielded RJ 45 modular jacks Modular jack 4/11 for connection of headset, headphones
Cabling	min. Cat 5
Power supply	via PoE
PoE	IEEE 802.3af standard Power consumption of the terminal device: Class 0 (0.44 W to 12.95 W)
Protocol	InIP-Protocol based on UDP/IP
Data rate	10/100 MB/s (Full-Half Duplex)
Measurements:	EE 900A: 66 x 240 x 68 mm (2.6 x 9.45 x 2.29 in) EE 972A: 179 x 240 x 68 mm (7.05 x 9.45 x 2.29 in) (gooseneck: 430 mm / 16.9 in)
Weight incl. package	EE 900A: about 600 g (1.1 lbs) EE 972A: about 800 g (1.8 lbs)
Colour:	black (also RAL 9011)

BENEFITS

- Crystal clear 16 kHz speech quality for optimum intelligibility
- White illuminated graphic display with on-screen menu, brightness and contrast adjustable
- Modern and ergonomic design, adjustable in black
- High quality speech, even from a distance (up to 7 m/23 ft)
- OpenDuplex® with powerful Blackfin DSP
- DSP-technology, prepared for software download of future functions
- Audio Monitoring, adjustable integration time and noise level (except stations with gooseneck microphone)
- Microphone-/Loudspeaker Surveillance (except stations with gooseneck microphone)
- High volume levels due to digital Class D amplifier
- Bright multifunction LED indicates the station's operation status (e.g. call indication)
- Connection of headset or headphones (gooseneck microphone also possible)
- Easy to handle switch-over functions by use of a 3D gravitation sensor, e.g. for handset function
- Possibility of retrofitting an input or open-collector-output
 - The conversion may be carried out by authorized sales partners only!

EXTENT OF SUPPLY

- 1 Intercom station including
- Short reference and operating instructions

A PoE injector (e.g. C-PA15WPOE) for power supply must be ordered separately when PoE supply via the switch is not available

LINE LENGTH

The maximum line length of Cat. 5 cabling in a LAN is 100 m (328 ft) – e.g. from switch to EE 900A

Attention: For system and network requirements see page 3



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MASS VALIDATION

Encoder



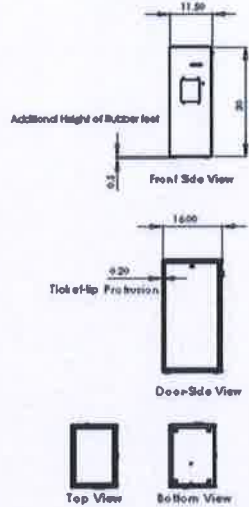
Production System

The Amano McGann Mass Validation system allows validation coupons to be made quickly and easily at your facility. This is a stand-alone, touch screen, computer based validation production system. Proximity cards are used to sign-on to the system, and different accounts, values, descriptions, quantities, number of uses, and ticket stocks can be used. All validation coupons are magnetic stripe encoded for maximum security and reliability. All coupons created are linked to specific users in the system, each of which can have a variety of password protected privileges. Typically located in the parking office or other secured location and running independently, the Mass Validation System does not create operational downtime or wear and tear on other lane equipment.

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Series
MASS VALIDATION



FEATURES

- Machine-readable coupon automates validation transaction at fee computers and pay stations
- Encodes coupons on an as-needed basis
- Select coupon type and quantity per encoding job
- Uses standard magnetic-stripe coupon stock graphics and copy per facility or validation type
- Built-in sign-on security requires ID Card with password
- Audit reports list encoding activity by attendant, coupon type and date range
- Accommodates up to 999 unique validation codes
- The greatest flexibility in validation encoding (stores, values, rates, number of tickets, etc.)
- Highest level of security - Proximity card sign-on and password, plus Supervisor/Administrative functions
- Fall audit trail - Complete accountability for number of coupons generated, stores, values, personnel, etc. - with a printed report at the end of each coupon run (complete with signature line)
- Stand-Alone System - No lane downtime, no wear and tear on other lane equipment, and the ability to print coupons in a secured environment

REPRODUCED BY:

SPECIFICATIONS

TOUCH MONITOR

Model:	1529L touch computer
Series:	3000
Availability:	Worldwide
Display Type / Size:	Active matrix TFT LCD, 15" diagonal
Useful Screen Area:	11.68" H x 8.98" W
Case / Bezel Color:	Dark gray (still)
Dimensions:	13.99" W x 11.27" H x 10.44" D
Optimal Resolution:	1024 x 768 at 60, 70 or 75Hz
Colors:	16.2 million colors, 6 bit with dithering
Brightness:	(LCD Panel) 350 cd/m ²
Brightness:	(LCD Panel w/touch screen) AccuTouch: 267 cd/m typical CanalTouch: 322 cd/m typical IntelliTouch: 322 cd/m typical
Power:	Input (line) voltage: 100-240VAC, 50-60Hz external power supply Type: External brick Output voltage/current: 12 V at 5.0 amps max
Power Dissipation:	30 W typical
Operating Temp:	Operating: 0°C to 35°C, Storage: -20°C to 60°C
Humidity:	5-95% (non-condensing)
Weight (approx.):	Actual: 17.35 lb, Shipping: 22.65 lb
Other Features:	Energy save mode (less than 2 watts) Touch screen sealed to bezel and LCD Security lock receptacle

MASS VALIDATOR

Dimensions:	11.5" W x 30" H x 16" D
Finish:	Charcoal Gray
Weight (approx.):	70 lbs
Power:	120 VAC
Operating Temp:	0°C to 50°C; storage -20°C to 70°C
Humidity:	95% (non-condensing)
Communications:	Serial to processing unit, 2 ports req.
Print Ribbon Life:	Approx. 10,000 tickets

Specifications are approximate and are subject to change without notice.

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Project Name: Port of LA - Catalina Express Automation
 Proposal Number: Q-00048801
 Proposal Date: 12/2/2016

Submitted to: Parking Concepts, Inc.

Customer Name: Peter Martil

Address: 100 Swinford St.

City, State, Zip: San Pedro, CA, 90731

Tel: (213) 746-5764
Email: pmartil@pcila.com

Submitted by: Amano McGann, Inc.

Amano Representative: Eric Loysen

Address: 22619 Old Canal Rd.

City, State, Zip: Yorba Linda CA 92887

Tel: 714-282-3551
Email: eric.loysen@amanomcgann.com

Proposal valid through: 3/2/2017

Qty	Model	Description	Price Each	Price Extended
1	AMG-7850/A914	Pay Station, PA-DSS Compliant pre-configured with credit card, coin and note processing functions (U.S.).	\$58,700.00	\$58,700.00
1	AGP-0528/A679	Spare Lockable Note Vault. Zero note escrow unit	\$600.00	\$600.00
1	AGP-0529/A680	Spare Note Cassette for Note Dispenser	\$900.00	\$900.00
1	AGP-0530/A681	Spare Coin Vault	\$225.00	\$225.00
1	POFSHELTER	Pay-on-Foot Shelter	\$12,000.00	\$12,000.00
1	AMG-4570/A862	Exit Station, magnetic stripe ticket, credit card, magnetic access card configuration, receipt printer, two-tone silver/grey.	\$17,300.00	\$17,300.00
3	PRX280M	Amano McGann Format Proximity reader with buffering, power supply and mounting plate. Up to 10" read range. Pedestal for mounting not included.	\$2,300.00	\$6,900.00



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1	15-515exp	8 port digi card	\$638.00	\$638.00
1	15-525	5 port 10/100 ENET Switch	\$110.00	\$110.00
1	15-951	Cable/DSL Router	\$212.42	\$212.42
2	G3-IP-4B	IP Subscriber Card. Basic card for 4 subscribers	\$1,636.00	\$3,272.00
6	ET871A	Digital 2-wire Intercom module with integrated loudspeaker (8 Ohm).	\$748.00	\$4,488.00
6	ET901-D	IP station interface for digital 2-wire with power over ethernet.	\$462.00	\$2,772.00

TOTAL SYSTEM SUMMARY

Products Subtotal: \$108,117.42
 Discount: \$21,623.48
 Installation & Technical Services: \$9,120.00
 Miscellaneous: N/A
 Subcontractor Services: N/A
 Freight & Tax: \$6,457.96

Total System Investment: \$102,071.90

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Terms & Conditions

Conditions and Disclaimers

- Amano McGann has included our standard Merit Shop Labor Rates for this project. Should Prevailing Wage, Union, and/or PLA Labor be required, additional costs may apply and will be quoted separately.
- Amano McGann assumes work can be completed during normal working hours. After-hours and weekend installation may result in additional fees.
- Amano McGann assumes penalties, liabilities, and/or consequential damages will not be part of the contract terms and conditions.
- Amano McGann reserves the right to negotiate mutually acceptable contract terms.

Installation

By Amano McGann and all work to be performed during the standard business hours of 8:00AM – 4:30PM, Monday through Friday. Additional charges apply for work requested to be performed after standard business hours and/or weekends. Idle time incurred due to absence of escorts, clearances, or inability to enter the work space or other factors beyond our control will be considered a change with added labor hours. Firm start date for installation to be determined after complete order has been received by Amano McGann. Amano McGann will provide necessary training on operation/maintenance of system.

Product Delivery

Estimated lead time for PARCS equipment is 8-10 weeks from receipt of all required order forms and deposit for product delivery, when applicable. Amano McGann will provide a secure off-site storage area for said materials throughout duration of the installation. Such materials will be treated as 'stored materials' for the purposes of payment applications. Unless otherwise agreed upon, price and delivery terms shall be F.O.B. shipping point.

Tax

Prices in this proposal include use tax.

Change Orders

Any alteration or deviation from the above specifications, including but not limited to any such changes involving additional material and/or labor costs, will be executed only upon a written change order for same, signed by both Buyer and Amano McGann. If there is any charge for such alteration or deviation, the additional charge will be added to the contract price.

Bonding, Insurance, & Liquidated Damages

Any bonding requirements are not included in this proposal and shall be provided at an additional charge based upon scope. Any insurance requirements outside of standard coverage's carried by Amano McGann are not included in this proposal and shall be provided at an additional charge based upon additional requirements and terms of coverage. Liquidated damages are not included in this proposal.

Warranty

This proposal includes One Year warranty on parts and labor for defects in materials or manufacture. Warranty does not cover damage or malfunctions resulting from acts of God, collision, vandalism, misuse, electrical surges, power failure, or use of non-manufacturer approved parts or consumable supplies.

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Payment Terms

1. 33% down payment due upon acceptance of proposal. 33% due upon delivery of equipment to AMI warehouse.
2. Remainder to be invoiced upon completion of system installation.
3. Past due accounts will be subject to a late fee of 5% of the amount due.
4. Cancellation of contract or P.O. prior to on-site delivery results in a 25% restocking charge. There is no return or refund on custom products/services.

Proposal Validity

This proposal is valid through **3/2/2017**. If the executed contract and/or purchase order is received after the expiration date, Amano McGann reserves the right to issue a revised proposal.

To be provided by Owner

Concrete and Protection Posts per layout diagrams
Communication Link and Modems for remote hosting
Power circuits with connections to lane equipment as required
Empty control wire conduit system (with pull string) per our shop drawings
Integrity of existing conduits, power wiring, and low voltage cable
Integrity of existing equipment and vehicle detector loops
Any required permitting or drawings
Tickets, Access Card and Consumables

Exclusions

No Provisions for Permits, Bonding, or Liquidated Damages

Base Proposal Amount: \$102,071.90

Acceptance & Authorization

THE PRICES, DELIVERABLES, SPECIFICATIONS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. AMANO MCGANN IS AUTHORIZED TO PERFORM THE WORK AS SPECIFIED.

Agreed on Behalf of Parking Concepts, Inc.:

AMANO McGANN

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Warranty

The Amano McGann project management and sales consulting staff understands that no matter how sophisticated a parking system is, it is the ongoing service that will make the system functional and effective. After the contract is signed, Amano McGann sales personnel and project managers stay involved throughout the life of the equipment. The goal is to create customers for life.

Amano McGann is committed to providing you with service to meet the needs of your parking operation. Downtime for parking equipment could mean serious inconvenience for parkers, loss of revenue, or hindrance of ingress. Amano McGann will do everything possible to minimize any system downtime.

This Amano McGann system comes with a Parts and Labor Warranty period of One Year. Your warranty start date will begin upon substantial completion of system. All work is warranted in its entirety to be free of mechanical or electrical defects in design, material, and/or workmanship. Amano McGann will repair or replace all work delivered under the Contract and correct any defect within the Warranty Period at no additional cost. The maintenance service during the warranty period will include all parts, labor, transportation, and support services to successfully perform maintenance, repair, and/or replace any hardware, mechanical, electronic, programming, or software component, to ensure the parking control system performs according to the requirements of the technical specifications. This maintenance service includes all lane equipment, host computer system hardware, operating system, software, and all associated communication sub-systems and peripheral devices.

During this warranty period, work shall be performed during normal business hours Monday through Friday from 8:00AM to 4:30PM. All other service calls shall be billed at cost of services.

This warranty does not apply to situations where damage or malfunctions resulting from fire, flood, earthquakes, elements of nature or acts of God, strikes, riots, collision, vandalism, misuse, electrical surges, power failure, use of non-manufacturer approved parts or consumable supplies, or any other similar cause beyond the reasonable control of Amano McGann.

Amano McGann is confident that we will provide the highest level of warranty service and ongoing maintenance support for the proposed parking control system. Our clients have high expectations, and we continue to provide quick response and resolution to ever changing service needs.

The logo for Amano McGann, featuring the company name in a bold, blue, sans-serif font.

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EXHIBIT 2

Booth Audit Procedures

The Booth Audit is conducted by:

- Selecting a typical weekday, usually a Tuesday or Thursday, to determine entire day's activity.
- Placing a monitor (observer) with log (see sample below), in each booth.

Figure 1: Sample Completed Booth Audit Log

Date:	11/20/2014	Facility:	Lot 357	Shift:	2	Lane:	2	Monitor:	L. Hannah	Cashier:	E. Krutchius
No.	Time	Ticket #	Amount	Payment Type	Remarks						
1	8:22 am	65498	N/C	N/A	Signed by W. Tweed						
2	8:24 am	65483	\$6.00	Cash							
3	8:34 am	65488	\$6.00	Credit Card							
4	8:35 am	65491	\$4.00	Cash	Angry customer						
219	7:56 pm	65597	\$2.00	Cash	Paid with \$100 bill						
220	7:59 pm	65504	\$24.00	Credit Card							
221	8:00 pm	65567	\$24.00	Credit Card							

- Monitor will record time of transaction, ticket #, amount charged, type of payment.
- All exit activity – exit time, ticket number, and fee (amount & type) collected – is recorded on logs by the monitors.
- This information is compiled and then compared against the previous six weeks' activity for the same day of the week.

Figure 2: Sample Comparison of Booth Audit Summary to Previous Weeks' Activity

Trend	Avg. Before	Booth Audit	Variance	Prior Best
Daily tickets	1,120	1,204	+ 84	1,168
Tickets - 1 st Shift	448	462	+ 14	464
Tickets - 2 nd Shift	672	742	+ 70	693
Revenue	\$9,520.00	\$11,138.00	+ 17%	\$10,323.00
Revenue per Ticket	\$8.50	\$9.25	+ 8.8%	\$8.67
Avg. Cash Ticket	\$6.00	\$6.60	+ 10%	\$6.15
Length of Stay	2 hrs, 15 min.	2 hrs, 31 min.	+ 11.9%	2 hrs, 21 min.
Uncollected Tickets	95 (8.5%)	42 (3%)	- 53	71
Signature Tickets	35	6	- 29	29
Promise to Pay	11	0	- 11	9
Accessible Tickets	36	4	- 32	28
No Charge Tickets	112	23	- 89	99
Deliveries	26	11	- 15	19

The activity for the following weeks is compared against booth audit and previous weeks' results.

Figure 3: Sample Comparison of Booth Audit Summary to Future Weeks' Activity

Trend	Booth Audit	Week One	Week Two	Week Three
Daily tickets	1,204	1,198	1,216	1,211
Tickets - 1 st Shift	462	458	466	470
Tickets - 2 nd Shift	742	740	740	741
Revenue	\$11,138.00	\$11,010.00	\$11,192.00	\$11,160.00
Revenue per Ticket	\$9.25	\$9.19	\$9.20	\$9.22
Avg. Cash Ticket	\$6.60	\$6.57	\$6.58	\$6.59
Length of Stay	2 hrs, 31 min.	2 hrs, 30 min.	2 hrs, 30 min.	2 hrs, 31 min.
Uncollected Tickets	42 (3%)	39 (3%)	40 (3%)	37 (3%)
Signature Tickets	6	5	7	4
Promise to Pay	0	0	1	0
Accessible Tickets	4	6	5	5
No Charge Tickets	23	21	24	20
Deliveries	11	13	10	12

- Trend for revenue per ticket, cash per cash ticket, tickets per lane/shift, average length of stay, uncollected tickets, all exception types.

Other trends to review and compare:

- % Cash (Tickets and Revenue)
- % Credit Card (Tickets and Revenue)
- Average Credit Card amount
- % Validated (Daily Commuters)
- Average Validated amount
- % Commuter Discount (Monthly Passes)
- Average cash – 1st & 2nd Shift
- Number of “Cleared (Voided) Tickets” (%)
- Tickets processed last hour
- Average cash last hour
- Other exception transactions (%)

Exhibit E

PORT OF LOS ANGELES
P.O. BOX 514300, LOS ANGELES, CA 90051-4300
GROSS RECEIPTS REPORT

CUSTOMER NO: _____

PORT OF LOS ANGELES USE ONLY

BILL TO: Parking Concepts, Inc.
Attn: Bob Hindle
1801 S. Georgia Street
Los Angeles, CA 90015

ACCOUNT NO: _____
INVOICE NO: _____

Transmitted herewith, executed in duplicate, is our monthly report of gross receipts from the previous month's operation of the Parking Facility, in accordance with Agreement No. _____, together with payment to cover the amount due.

Agreement No. _____

For the month of: _____

PCI shall pay:	Gross Receipts	% Due	Amount Due
Gross Receipts for the Month	\$ _____		
Less			
Parking Occupancy Tax	\$ _____		
1/12th of Estimated Annual Possessory Interest Tax	\$ _____		
	\$ _____	81%	\$ _____

I hereby certify that the foregoing is a true and correct statement of gross receipts under Agreement No. _____.

PARKING CONCEPTS, INC.

DATE: _____

Authorized Signature

NOTE:

Please forward two (2) copies of this report, plus payment, on or before the 10th day after the close of each month.

Figure 3 – Waterfront and Downtown Parking Map



DESMAN Associates

Table 1 – San Pedro Waterfront Parking Inventory

Lot	Land Use	Existing		
		Total	Public	Private
GROUP 1				
1-A	Breakwater Beach	263	263	0
1-B	Cabrillo Beach Bath House	28	28	0
1-C	Cabrillo Marine Aquarium	319	319	0
1-D	Boat Launch	68	0	68
* 1-E	Boy Scouts	46	0	46
Total Area 1		724	610	114
GROUP 2				
2-A	Cabrillo Marina Recreational Room	100	100	0
2-B	Doubletree Hotel	425	324	101
2-C	California Yacht Marina	363	246	117
2-D	California Yacht Marina	202	79	123
2-E	Holiday Harbor Cabrillo Marina	167	0	167
2-F	Cabrillo Beach Yacht Club	112	0	112
2-G	22nd St. Landing Restaurant/Office	119	0	119
Total Area 2		1,488	749	739
GROUP 3				
3-A	Cabrillo Way Marina	1,288	868	420
* 3-B	Fire Station 110	21	0	21
3-C	San Pedro Boat Works (Vacant)	0	0	0
3-D	Outer Harbor Vacant Site ¹	1,400	1,400	0
3-E	SS Lane Victory	10	10	0
* 3-F	SSA Fruit Terminal (Summer: 757, Winter: 0)	757	0	757
Total Area 3		3,476	2,278	1,198
GROUP 4				
4-A	22nd St. Park	175	175	0
4-B	Public Lot	97	97	0
4-C	Public Lot	302	302	0
4-D	Crafted	407	407	0
Total Area 4		981	981	0
GROUP 5				
5-A	Warehouses 1/Signal Street	174	172	2
* 5-B	Dept. of Fish & Game	6	0	6
5-C	Berth 56 and Berth 57	80	80	0
5-D	22nd St. Overflow Parking	687	687	0
	San Pedro Park (18 Acres)	0	0	0
5-E	Municipal Fish Market & SP Slip Fishing	388	388	0
5-F	Red Car Maintenance Facility	34	34	0
5-G	Bloch Field	70	70	0
* 5-H	Slmich (Contractor)	11	0	11
* 5-I	Port Pilots	6	0	6
5-J	Public Outlook	4	4	0
Total Area 5		1,460	1,435	25
GROUP 6				
6-A	Ports O' Call Village/Maritime Museum ²	1,848	1,848	0
6-B	Jankovlch	15	0	15
6-C	Public Lot (Bluff Area)	313	313	0
6-D	Harbor Blvd Street Parking (9th St. to Bloch)	98	98	0
Total Area 6		2,274	2,259	15
GROUP 7				
* 7-A	Fire Station 112	26	0	26
7-B	Crowley Marine	40	0	40
7-C	Inner Harbor Cruise Terminal Public Lot ²	1,954	1,954	0
7-D	Catalina Express Terminal & Heliport	736	736	0
Total Area 7		2,756	2,690	66
TOTAL PARKING SUPPLY		13,159	11,002	2,157

* Not included in shared parking analysis

DESMAN Associates

Table 2 – Downtown Commercial District Parking Inventory

Lot	Existing		
	Total	Public	Private
Downtown			
DT-A Public Parking (Lot 641)	93	93	0
DT-B Public Parking (Lot 684)	96	96	0
DT-C Public Parking (Lot 735)	60	60	0
DT-D HAB Surface Parking Lot	151	0	151
DT-E City Hall Lot	68	0	68
DT-F Pacific Place	630	630	0
DT-G Caltrans Park & Ride	277	0	277
On-Street Parking	752	752	0
Total Downtown	2,127	1,631	496

DESMAN Associates

MONTHLY SUBOPERATOR MONITORING REPORT

Instructions: Please indicate the SBE/VSBE/MBE/WBE/OBE/DBE participation levels achieved for the month of _____ covered by the referenced contract number.

Contract No. _____ Division _____ Contractor Administrator _____

Contractor _____ *Group _____ Contract Title/Project _____

Contract Amount _____ Start Date _____ End Date _____

Total Amount Invoiced to Date _____

SBE Mandated Participation Percentage SBE VSBE

Proposed Subcontractor Percentage MBE WBE OBE DVBE

	Name of Subcontractor	Type of Work Performed	Group SBE/VSBE/MBE/WBE/OBE/DBE	PROPOSED			ACTUALS		
				Original Proposed Amount	Original Proposed Percentage	Amount Paid to Date	Amount Paid to Date Percentage	Contract Amount Percentage	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									

Directions:

Original Proposed Percentage: Original Proposed Percentage of Total Contract Amount
 Amount Paid to Date Percentage: Percentage of Total Amount Invoiced to Date
 Contract Amount Percentage: Percentage Paid to Date of Total Contract Amount

* Group = (SBE/VSBE/MBE/WBE/OBE/DBE)

EXHIBIT H

BUSINESS TAX REGISTRATION CERTIFICATE (BTRC) NUMBER

The City of Los Angeles Office of Finance requires all firms that engage in any business activity within the City of Los Angeles to pay City business taxes. Each firm or individual (other than a municipal employee) is required to obtain the necessary Business Tax Registration Certification (BTRC) and pay business tax. (Los Angeles Municipal Code Section 21.09 et seq.)

All firms and individuals that do business with the City of Los Angeles will be required to provide a BTRC number or an exemption number as proof of compliance with Los Angeles City business tax requirements in order to receive payment for goods or services. Beginning October 14, 1987, payments for goods or services will be withheld unless proof of tax compliance is provided to the City.

The Tax and Permit Division of Los Angeles Office of Finance has the sole authority to determine whether a firm is covered by business tax requirements. Those firms not required to pay will be given an exemption number.

If you do NOT have a BTRC number contact the Tax and Permit Division at the office listed below, or log on to www.lacity.org/finance to download the business tax registration application.

MAIN OFFICE

LA City Hall

201 N. Main Street, Rm. 101

(213) 473-5901

AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

- A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

- D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

AFFIRMATIVE ACTION PROGRAM PROVISIONS

- E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.
- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it

AFFIRMATIVE ACTION PROGRAM PROVISIONS

registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve

months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;

AFFIRMATIVE ACTION PROGRAM PROVISIONS

4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.
- P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

EXHIBIT J

SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM AND LOCAL BUSINESS PREFERENCE PROGRAM

(1) SMALL/VERY SMALL BUSINESS ENTERPRISE PROGRAM

The City of Los Angeles Harbor Department is committed to creating an environment that provides all individuals and businesses open access to the business opportunities available at the Harbor Department in a manner that reflects the diversity of the City of Los Angeles. The Harbor Department's Small Business Enterprise (SBE) Program was created to provide additional opportunities for small businesses to participate in professional service and construction contracts. An overall Department goal of 25% SBE participation, including 5% Very Small Business Enterprise (VSBE) participation, has been established for the Program. The specific goal or requirement for each contract opportunity may be higher or lower based on the scope of work.

It is the policy of the Harbor Department to solicit participation in the performance of all service contracts by all individuals and businesses, including, but not limited to, SBEs, VSBEs, women-owned business enterprises (WBEs), minority-owned business enterprises (MBEs), and disabled veteran business enterprises (DVBES). The SBE Program allows the Harbor Department to target small business participation, including MBEs, WBEs, and DVBES, more effectively. It is the intent of the Harbor Department to make it easier for small businesses to participate in contracts by providing education and assistance on how to do business with the City, and ensuring that payments to small businesses are processed in a timely manner. **In order to ensure the highest participation of SBE/VSBE/MBE/WBE/DVBES, all proposers shall utilize the City's contracts management and opportunities database, the Los Angeles Business Assistance Virtual Network (LABAVN), at <http://www.labavn.org>, to outreach to potential subcontractors.**

The Harbor Department defines a SBE as an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121. Go to www.sba.gov for more information. The Harbor Department defines a VSBE based on the State of California's Micro-business definition which is 1) a small business that has average annual gross receipts of \$3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.

The SBE Program is a results-oriented program, requiring consultants who receive contracts from the Harbor Department to perform outreach and utilize certified small businesses. **Based on the work to be performed, it has been determined that the percentage of small business participation will be __%, including __% VSBE participation.** The North American Industry Classification System (NAICS) Code for the scope of services is _____. This NAICS Code is the industry code that corresponds to at least 51% of the scope of services and will be used to determine the size standard for SBE participation of the Prime Consultant. The maximum SBE size standard for this NAICS Code is \$_ million.

Consultant shall be responsible for determining the SBE status of its subconsultants for purposes of meeting the small business requirement. Subconsultants must qualify as an SBE based on the type of services that they will be performing under the Agreement. All business participation will be determined by the percentage of the total amount of compensation under the agreement paid to SBEs. The Consultant shall not substitute an SBE firm without obtaining prior approval of the City. A request for substitution must be based upon demonstrated good cause. If substitution is permitted, Consultant shall endeavor to make an in-kind substitution for the substituted SBE.

(2) LOCAL BUSINESS PREFERENCE PROGRAM:

The Harbor Department is committed to maximizing opportunities for local and regional businesses, as well as encouraging local and regional businesses to locate and operate within the Southern California region. It is the policy of the Harbor Department to support an increase in local and regional jobs. The Harbor Department's Local Business Preference Program (LBPP) aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector.

The Harbor Department defines a LBE as:

- (a) A business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties; or
- (b) A business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties.

In order for Harbor Department staff to determine the appropriate LBE preference, Consultant shall complete, sign, notarize (where applicable) and submit the attached Affidavit and Contractor Description Form. The Affidavit and Contractor Description Form will signify the LBE status of the Consultant and subconsultants. Prior to contract award, the Harbor Department will verify the status of all LBEs.

Consultant shall complete, sign, notarize (where applicable) and submit as part of the executed agreement the attached Affidavit and Contractor Description Form. The Contractor Description Form, when signed, will signify the Consultant's intent to comply with the SBE and LBPP requirements. Prior to contract award, the Harbor Department will verify the status of all SBEs. In addition, prior to being awarded a contract with the Harbor Department, all contractors and subcontractors must be registered on LABAVN.

In the event of Consultant's noncompliance during the performance of the Agreement, Consultant shall be considered in material breach of contract. In addition to any other remedy available to City under this Agreement or by operation of law, the City may withhold invoice payments to Consultant until noncompliance is corrected, and assess the costs of City's audit of books and records of Consultant and its subconsultants. In the event the Consultant falsifies or misrepresents information contained in any form or other willful noncompliance as determined by City, City may disqualify the Consultant from participation in City contracts for a period of up to five (5) years.

AFFIDAVIT OF COMPANY STATUS

"The undersigned declares under penalty of perjury pursuant to the laws of the State of California that the following information and information contained on **the attached Contractor Description Form** is true and correct and include all material information necessary to identify and explain the operations of

Name of Firm

as well as the ownership thereof. Further, the undersigned agrees to provide either through the prime consultant or, directly to the Harbor Department, complete and accurate information regarding ownership in the named firm, any proposed changes of the ownership and to permit the audit and examination of firm ownership documents in association with this agreement."

(1) **Small/Very Small Business Enterprise Program:** Please indicate the ownership of your company. Please check all that apply. At least one box must be checked:

SBE VSBE MBE WBE DVBE OBE

- A Small Business Enterprise (SBE) is an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121.
- A Very Small Business Enterprise (VSBE) is 1) a small business that has average annual gross receipts of \$3,500,000 or less within the previous three years, or (2) a small business manufacturer with 25 or fewer employees.
- A Minority Business Enterprise (MBE) is defined as a business in which a minority owns and controls at least 51% of the business. A Woman Business (WBE) is defined as a business in which a woman owns and controls at least 51% of the business. For the purpose of this project, a minority includes:
 - (1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
 - (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
 - (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands); and
 - (4) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- A Disabled Veteran Business Enterprise (DVBE) is defined as a business in which a disabled veteran owns at least 51% of the business, and the daily business operations are managed and controlled by one or more disabled veterans.
- An OBE (Other Business Enterprise) is any enterprise that is neither an SBE, VSBE, MBE, WBE, or DVBE.

(2) **Local Business Preference Program:** Please indicate the Local Business Enterprise status of your company.

Only one box must be checked:

LBE Non-LBE

- A Local Business Enterprise (LBE) is: (a) a business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties; or (b) a business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties.
- A Non-LBE is any business that does not meet the definition of a LBE

Signature _____
Printed Name _____

Title _____
Date Signed _____

NOTARY

<p>STATE OF CALIFORNIA)) ss COUNTY OF LOS ANGELES)</p> <p>Place Notary Seal and/or Stamp Above</p>	<p>Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20__ by</p> <p>(1) _____ Name of Signer (1)</p> <p>Who proved to me on the basis of satisfactory evidence to be the person who appeared before me (,)(,)</p> <p>(and)</p> <p>(2) _____ Name of Signer (2)</p> <p>Who proved to me on the basis of satisfactory evidence to be the person who appeared before me.)</p> <p>Signature _____</p>
---	---

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document _____
Document Date _____ Number of Pages _____
Signers Other than Named Above: _____

Contractor Description Form

PRIME CONTRACTOR

Contract #: _____ Award Date: _____ Contract Term: _____
Contract Title: _____
Business Name: _____ Award Total: \$ _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES _____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES _____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES _____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email address: _____

Contractor Description Form

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES _____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email Address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES _____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email address: _____

SUBCONTRACTOR

Business Name: _____ Award Total: \$ _____
Services to be provided: _____
Owner's Ethnicity: _____ Gender _____ Group: SBE VSBE MBE WBE DVBE OBE
(Circle all that apply)
Local Business Enterprise: YES _____ No _____ (Check only one)
Primary NAICS Code: _____ Average Three Year Gross Revenue: \$ _____
Address: _____
City/State/Zip: _____
Telephone: () _____ FAX: () _____
Contact Person/Title: _____
Email address: _____

Sec. 10.8.2.1. Equal Benefits Ordinance.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

(c) Equal Benefits Requirements.

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) **Mandatory Contract Provisions Pertaining to Equal Benefits.** Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.