



AGENDA STAFF REPORT

ASR Control 23-000816

MEETING DATE: 10/17/23
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 5
SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Approved)
DEPARTMENT CONTACT PERSON(S): Charlene V. Reynolds (949) 252-5183
Amy Goethals (949) 252-6036

SUBJECT: Approve Amendment for Parking Facilities and Valet Parking Operating Agreement

Table with 3 columns: CEO CONCUR (Concur), COUNTY COUNSEL REVIEW (Approved Agreement to Form), CLERK OF THE BOARD (Discussion, 3 Votes Board Majority)

Budgeted: Yes Current Year Cost: \$262,696 Annual Cost: N/A
Staffing Impact: No # of Positions: Sole Source: No
Current Fiscal Year Revenue: N/A
Funding Source: Fund 280: 100% County Audit in last 3 years: No
Levine Act Review Completed: Yes
Prior Board Action: 11/20/2018 #31, 2/28/2017 #17

RECOMMENDED ACTION(S):

- 1. Find that the proposed project is Categorically Exempt from the California Environmental Quality Act (CEQA), Class 1 (Existing Facilities) pursuant to CEQA Guidelines Section 15301.
2. Approve and execute the Second Amendment for the Parking Facilities and Valet Parking Operating Agreement with LAZ Parking California, LLC, with a monthly increase of \$43,783, commencing November 1, 2023, for a total monthly cost of \$412,941.

SUMMARY:

Approval of the Second Amendment for the Parking Facilities and Valet Parking Operating Agreement with LAZ Parking California, LLC will support John Wayne Airport in the management and operation of the self-parking and valet parking facilities, and the management and operation of traffic control in the designated Transportation Network Companies pick-up areas.

BACKGROUND INFORMATION:

On February 28, 2017, the Board of Supervisors (Board) approved the Operating Agreement with LAZ Parking California, LLC (LAZ) for the parking facilities and valet parking operations and management at

John Wayne Airport (JWA). The Operating Agreement commenced on May 1, 2017, and expired on April 30, 2020. The LAZ Operating Agreement was not extended at the end of the term due to the COVID-19 pandemic and has continued service on a month-to-month basis. JWA staff issued a Request for Proposal for Parking and Valet Management and Shuttle Services that closed on October 2, 2023. Upon award by the Board of a new agreement, this month-to-month agreement will terminate and a new agreement will commence.

On November 20, 2018, the Board approved the First Amendment to the Operating Agreement with LAZ to expand the scope of services to include the management and operation of traffic control in the newly designated Transportation Network Companies (TNC) pick-up areas. The new services required an annual increase of \$858,000, which consisted of additional staffing and extra ticket stock.

JWA seeks Board approval to increase the monthly fee for parking facilities operation and management by \$37,922, and the TNC Areas by \$5,861, for a total of \$43,783 commencing November 1, 2023. Increases in payroll taxes, workers' compensation insurance and healthcare costs between 2020 and 2023, have attributed to an employee hourly rate increase of \$4.95. Continuing the agreement on a month-to-month basis with LAZ, a seasoned operator, allows seamless parking operation and management to resume uninterrupted at JWA while the Request for Proposal process and award of the new Parking and Valet Management and Shuttle Services Agreement is completed.

Since May 2017, JWA has routinely tracked LAZ's staffing operations through the Skidata system by performing on-site physical checks and reviewing submitted invoices and timecards. The results of these checks have shown that LAZ has complied with the requirements of the existing agreement.

The Orange County Preference Policy was not applicable when this solicitation was issued in 2017. LAZ's performance has been confirmed as at least satisfactory. JWA has verified that there are no concerns that must be addressed with respect to the Operator's ownership/name, litigation status or conflicts with County interest.

The Contract is coming to the Board less than 30 days before its commencement due to salary documentation received on August 11, 2023, from LAZ. JWA staff immediately reviewed and processed the amendment to address labor increases so that the operator would not have any adverse financial impact from recent increases.

The agreement with LAZ does not currently include subcontractors or pass through to other providers.

Compliance with CEQA:

The proposed project is Categorical Exempt (Class 1) from the provisions CEQA pursuant to Section 15301 (Existing Facilities) because it involves a license agreement for the use of JWA existing facilities to conduct vehicle drop off or handoff of rental vehicles within specified license areas of the airport, involving negligible expansion of existing use.

FINANCIAL IMPACT:

Appropriations for this Operating Agreement are included in Airport Operating Fund 280, FY 2023-24 Budget.

The Operating Agreement contains language that allows JWA to reduce or terminate the agreement, reduce the level of services and/or renegotiate the level of services to be provided.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Second Amendment Parking Facilities and Valet Parking Operation Agreement with Laz Parking California, LLC

Attachment B – Redline to Facilities and Valet Parking Operation Agreement with Laz Parking California, LLC

**SECOND AMENDMENT TO PARKING FACILITIES AND VALET PARKING
OPERATING AGREEMENT**

THIS SECOND AMENDMENT TO PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT (“Second Amendment”) is made and entered as of _____, 2023, by and between the COUNTY OF ORANGE, a political subdivision of the State of California (“County”), and LAZ PARKING CALIFORNIA, LLC (“Operator”). County and Operator may sometimes hereinafter individually be referred to as “Party” or jointly as “Parties.”

RECITALS

WHEREAS, County, through its Board of Supervisors, is the owner and proprietor of John Wayne Airport (“JWA” or “the Airport”), located in the County of Orange, State of California, and operates and maintains the Airport as a governmental function for the primary purpose of providing air transportation to the public; and

WHEREAS, County and Operator entered into a Parking Facilities and Valet Parking Operating Agreement, dated February 28, 2017 (“Agreement”); and

WHEREAS, County and Operator executed the First Amendment, dated November 20, 2018, to expand the Operator’s scope of services to assist with traffic control and vehicle flow in the Transportation Network Companies (“TNC”) pick-up areas; and

WHEREAS, County and Operator now desire to further amend the Agreement, as amended by the First Amendment, to continue the term of the Agreement on a month-to-month basis, increase Operator’s fee, and revise Exhibits A and B.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Operator hereby agree as follows:

AGREEMENTS

1. **Term.** Section 2.01 shall be replaced with the following:

“SECTION 2.01 TERM OF AGREEMENT

This Agreement shall commence upon the signing of the Agreement by County. The term of this Agreement shall be on a month-to-month basis until terminated.”

2. **Option to Extend Term.** Section 2.02 shall be deleted in its entirety.

3. **Fees Paid For Parking Facilities Operation.** Section 4.01(A)(1) shall be replaced with the following:

- “1. Commencing November 1, 2023, as consideration for Operator’s Agreement to undertake operation of the Parking Facilities, including maintenance and janitorial services, County shall pay Operator the monthly fee of THREE HUNDRED FIFTY-SEVEN THOUSAND SIX HUNDRED SIXTY-THREE AND FIFTY

CENTS (\$357,663.50). Fees shall be paid to Operator in equally monthly installments no later than twenty (20) days after receipt of a monthly invoice in a format acceptable to the Auditor-Controller. In the event commencement or termination of this Agreement does not require the Operator to fulfill a complete calendar month of service, the fee shall be prorated.”

4. Fees Paid For Traffic Control and Passenger Experience in the TNC Areas.
Section 4.01(C)(1) shall be replaced with the following:

“1. Commencing November 1, 2023, as consideration for Operator’s Agreement to undertake the management and operation of traffic control and facilitate a superior guest experience in the TNC Areas, County shall pay Operator an additional monthly fee of FIFTY-FIVE THOUSAND TWO HUNDRED SEVENTY-SEVEN AND FIFTY-EIGHT CENTS (\$55,277.58) (“Additional Fees”) per month. The Additional Fees shall be paid to Operator in equal monthly installments no later than twenty (20) days after receipt of a monthly invoice in a format acceptable to Auditor-Controller. In the event commencement or termination of this Agreement does not require the Operator to fulfill a complete calendar month of service, the fee shall be prorated.”

5. Operating Area Description. Exhibit A, Page 2 of 2 shall be replaced as attached hereto and incorporated herein by this reference.

6. Map of Operating Area. Exhibit B, Page 2 of 2, shall be replaced as attached hereto and incorporated herein by this reference.

7. Effective Date. This Second Amendment shall become effective November 1, 2023.

8. No Other Amendments; This Second Amendment Governs and Controls. Except as expressly modified by this Second Amendment, the Agreement, as amended by the First Amendment, shall remain unmodified and in full force and effect and is hereby reinstated, ratified, and affirmed. To the extent any of the provisions of this Second Amendment are inconsistent with any of the provisions set forth in the Agreement and First Amendment, the provisions of this Second Amendment shall govern and control. Any reference to the “Agreement,” “hereunder,” “hereof,” “herein,” or words of like import in the Agreement, First Amendment, and this Second Amendment shall mean and be a reference to the Agreement as hereby amended, and the Agreement, First Amendment, and this Second Amendment shall be read and interpreted as if it was one agreement.

9. Authority. Each Party represents to the other Party or Parties that the individual executing this Second Amendment on behalf of such Party has the capacity and authority to execute and deliver this Second Amendment on behalf of such Party, and that this Second Amendment, once executed and delivered, is the legal, valid and binding obligation of such Party.

10. Governing Law. This Second Amendment and the Agreement, as previously amended, shall be governed by and construed in accordance with the laws of the State of California.

11. Counterparts and Execution. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The delivery of an executed counterpart of this Second Amendment by facsimile or as a Portable Document Format (“PDF”) or similar attachment to an e-mail shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

12. Severability. If any provision of this Second Amendment is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Second Amendment shall nonetheless remain in full force and effect.

[Signatures appear on the following page]

IN WITNESS WHEREOF, County and Operator have executed this Second Amendment as of the day and year first above written.

OPERATOR:

Laz Parking California, LLC

DocuSigned by:
Rick Ingram
By: _____
Its: _____ C34CE9B363FF4B4...
Name: Rick Ingram

By: _____
Its: _____
Name: _____

APPROVED AS TO FORM:

County Counsel
DocuSigned by:
Mark Sanchez
By: _____ 5EE68EC8DA7B48F...

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor-Controller
DocuSigned by:
Katherine Buranday
By: _____ 48B5AC8C2B6A4E5...

RECOMMENDED FOR APPROVAL:

John Wayne Airport
DocuSigned by:
Charlene Reynolds
By: _____ A1A526A921AF49F...
Charlene V. Reynolds
Airport Director

Signed and certified that a copy of this document has been delivered to the Chair of the Board per G.C. Sec. 25103, Reso 79-1535
Attest:

Robin Stieler
Clerk of the Board of Supervisors

COUNTY
COUNTY OF ORANGE
By: _____
Chairman, Board of Supervisors

**EXHIBIT A
OPERATING AREA DESCRIPTION**

Valet Parking

All Operating Area shown on the Location Map marked Exhibit B attached hereto and made a part hereof, being those certain areas designated as:

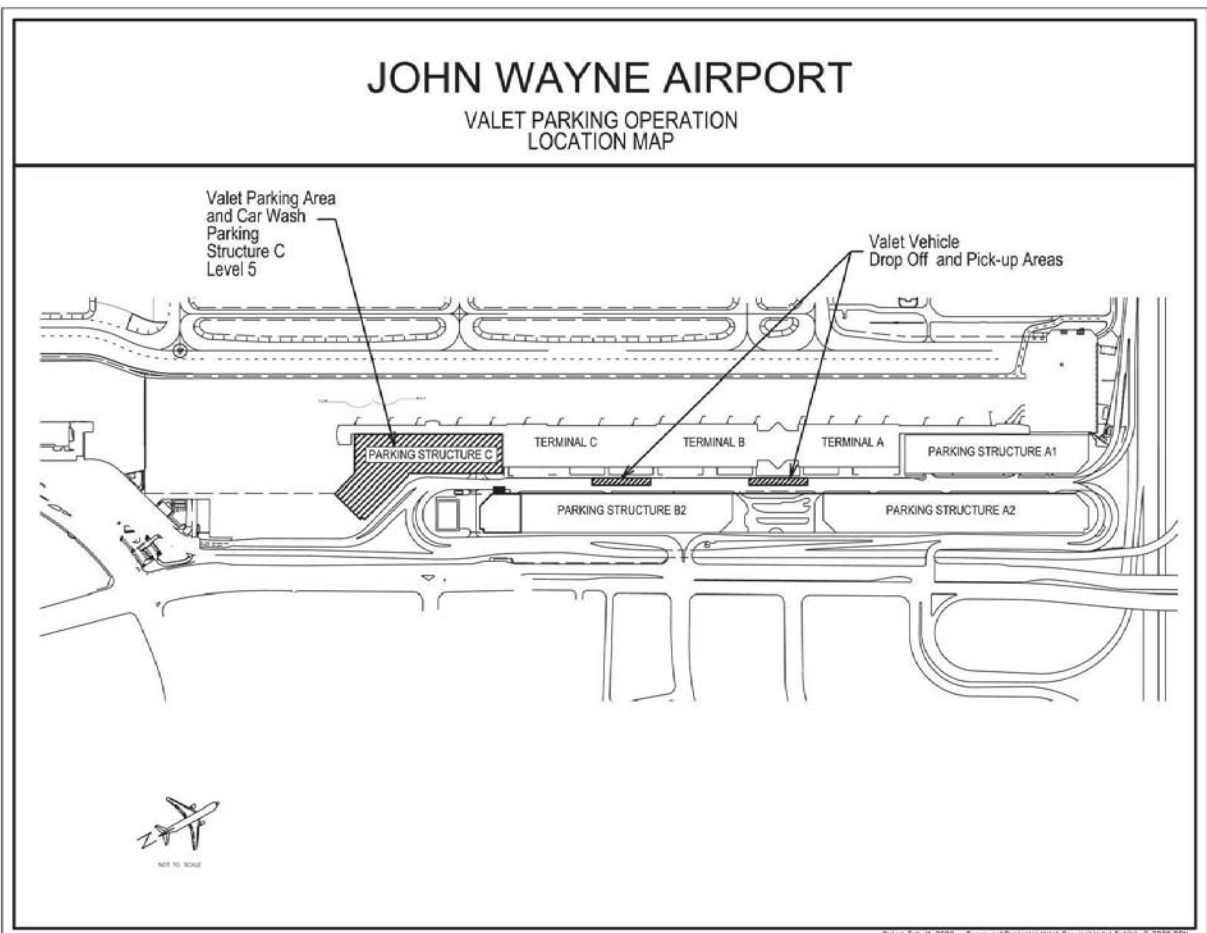
Valet Vehicle Drop-Off and Pick-Up Area located adjacent to the curb between Terminals A and B, and in front of Terminal C on the Departure Level. Each area contains space for three (3) lanes of twenty-five (25) cars each, for a maximum total of 150 vehicles. Each area includes a cashier kiosk provided by COUNTY.

Valet Parking Area containing approximately 140,684 square feet and located on Level 5 of Parking Structure C.

All of which are situated within the John Wayne Airport Terminal complex at 18601 Airport Way, in the City of Santa Ana, County of Orange, State of California, and located in Lots 132 and 135 of Block 7 of the Irvine subdivision, per map recorded in Book 1, Page 33 of Miscellaneous Maps, in the office of the County Recorder of Orange County, together with the right of ingress and egress thereto.

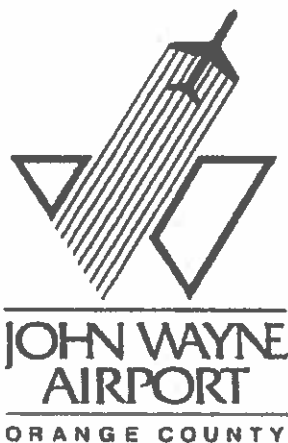
All square foot measurements and space counts are approximate and subject to change.

EXHIBIT B
MAP OF OPERATING AREA
Valet Parking





JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT



PARKING FACILITIES and VALET PARKING
OPERATING AGREEMENT

dated February 28, 2017

between

COUNTY OF ORANGE

and

LAZ PARKING CALIFORNIA, LLC
OPERATOR



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

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PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

LIST OF EXHIBITS

- EXHIBIT A OPERATING AREA DESCRIPTION**
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- EXHIBIT C MINIMUM MAINTENANCE REQUIREMENTS**
- EXHIBIT D MINIMUM REQUIREMENTS FOR TRASH, ASH TRAY & RECYCLING
RECEPTACLES**



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

THIS PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT ("AGREEMENT") is made and entered into this 28 day of February 2017, by and between the COUNTY OF ORANGE, a political subdivision of the State of California ("COUNTY"), and LAZ PARKING CALIFORNIA, LLC ("OPERATOR").

RECITALS

WHEREAS, COUNTY, through its Board of Supervisors, is the owner and airport proprietor of John Wayne Airport ("JWA" or "the Airport"), located in the County of Orange, State of California, and operates and maintains the Airport as a governmental function for the primary purpose of providing air transportation to the public; and

WHEREAS, COUNTY and OPERATOR mutually desire to enter into an agreement to provide parking management services and valet parking services, including car wash and detail for valet-parked vehicles, for passengers and employees at the Airport; and

WHEREAS, the COUNTY has the right to permit the use of its property at the Airport and to grant the use of the Airport to OPERATOR to provide parking management services and valet parking services; and

WHEREAS, OPERATOR acknowledges that this Agreement is being entered into under the provisions of CALIFORNIA PUBLIC UTILITIES CODE §§21690.5, *et seq.*, and in particular, §21690.9.

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained to be observed and performed by the respective parties hereto,

THE PARTIES HERETO COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS:

ARTICLE I

DEFINITIONS

The following words, terms and phrases whenever used in this Agreement shall have the meaning and significance attached to them in this Article, unless otherwise apparent from context.

SECTION 1.01 AIRPORT

"Airport" shall mean the John Wayne Airport, Orange County, California.



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

SECTION 1.02 AIRPORT DIRECTOR

"Airport Director" or "Director" shall mean the Director of John Wayne Airport, County of Orange, or Director's designee.

SECTION 1.03 AUDITOR-CONTROLLER

"Auditor-Controller" shall mean the Auditor-Controller, County of Orange, or designee.

SECTION 1.04 BOARD OF SUPERVISORS

"Board of Supervisors" shall mean the elected (or duly appointed) members of the Board of Supervisors of the County of Orange, as governing body of the County and proprietor of the Airport through its Airport Director, or designees, as appropriate.

SECTION 1.05 CAR WASH AND DETAIL

"Car Wash and Detail" shall mean a full service waterless car wash and detail offered to valet parking customers for an additional charge.

SECTION 1.06 COUNTY

"COUNTY" shall mean the County of Orange, a political subdivision of the State of California.

SECTION 1.07 DOT

"DOT" shall mean the Department of Transportation.

SECTION 1.08 FAA

"FAA" shall mean the Federal Aviation Administration created under the Federal Aviation Act of 1958, or such successor agency as may from time to time have similar jurisdiction over OPERATOR or its business, and the Airport.

SECTION 1.09 HAZARDOUS SUBSTANCES/ENVIRONMENTAL LAW

"Hazardous Substances" and "Environmental Law" are defined in Article VI, Section 6.01.

SECTION 1.10 NON-STORM WATER DISCHARGE

"Non-Storm Water Discharge" shall mean any discharge to storm sewer systems that is not entirely composed of storm water. "Non-Storm Water Discharge" includes "Unauthorized Non Storm Water Discharges" and "Authorized Non Storm Water Discharges" as defined by the California



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Environmental Protection Agency State Water Resources Control Board National Pollutant Discharge Elimination System General Permit for Discharges of Storm Water Associated with Industrial Activities Excluding Construction Activities.

SECTION 1.11 OPERATING AREA

"Operating Area" shall mean those areas of the Airport parking structures, parking lots and roadways which COUNTY has granted OPERATOR the right to use during the term of this Agreement as described in Exhibit A and shown on Exhibit B.

SECTION 1.12 PARKING FACILITIES OPERATION

"Parking Facilities Operation" shall mean operation and management of self-parking in designated Airport parking structures and parking lots including maintenance of those areas, and maintenance of the employee parking lot, commercial vehicle and the cell phone lots.

SECTION 1.13 STORM WATER

"Storm Water" shall mean storm water runoff, snowmelt runoff, and storm water surface runoff and drainage.

SECTION 1.14 TERMINAL

"Terminal" shall mean the Thomas F. Riley commercial passenger terminal and concourses at John Wayne Airport, as may be modified at any time during the term of this Agreement.

SECTION 1.15 TSA

"TSA" shall mean the Transportation Security Administration of the United States Department of Homeland Security, the federal agency responsible for regulation of airport security, or any such successor agency.

SECTION 1.16 VALET PARKING OPERATION

"Valet Parking Operation" shall mean operation and management of valet parking of vehicles including responsibility for the custody, control and care of the vehicles from the point of drop-off until pick-up at the Vehicle Drop-Off and Pick-Up Area located on the upper level roadway of the Terminal, and operation and management of the car wash and auto detail services.



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

ARTICLE II

TERM OF AGREEMENT

Amendment No 1

SECTION 2.01 TERM OF AGREEMENT

~~This Agreement shall commence upon the signing of the Agreement by COUNTY. The term of this Agreement shall be three (3) years, commencing on May 1, 2017.~~

SECTION 2.02 OPTION TO EXTEND TERM

Amendment No 2

~~Airport Director may, at Director's sole discretion, offer to extend the term of this Agreement for two (2) additional one (1) year periods, by giving OPERATOR sixty (60) days' written notice of the extension. Within 30 days of receipt, OPERATOR shall give written notice of acceptance or rejection of the offer to extend.~~

SECTION 2.03 HOLDING OVER

In the event OPERATOR shall continue in possession of the Operating Area after the term of this Agreement, such possession shall not be considered an extension or renewal of this Agreement but a tenancy from month to month and shall be governed by the conditions and covenants contained in this Agreement.

SECTION 2.04 TERMINATION FOR CONVENIENCE

This Agreement may be terminated for convenience by COUNTY for any reason, and without cause, upon ninety (90) days written notice.

ARTICLE III

OPERATING AREA

SECTION 3.01 OPERATING AREA

COUNTY grants to OPERATOR the right to use that certain property hereinafter referred to as "Operating Area", described in "Exhibit A" and shown on "Exhibit B," which exhibits are attached hereto and by reference made a part hereof. OPERATOR accepts Operating Area in an "as is" condition, where located, with all faults, and acknowledges that such Operating Area is in good and satisfactory condition for the use intended.

In the event that OPERATOR desires to expand or reduce said Operating Area to accommodate demand, OPERATOR shall submit a plan to Airport Director indicating the proposed revisions.

Summary of Comments on LAZ Parking Facilities & Valet Parking Operating Agmt - Redline 9 6 23.pdf

Page: 10

Number: 1 Author: jdixon Subject: Typewritten Text Date: 8/31/2023 10:40:06 AM

Amendment No 2

Number: 2 Author: jdixon Subject: Sticky Note Date: 8/31/2023 9:36:59 AM

1. **Term.** Section 2.01 shall be replaced with the following:

"SECTION 2.01 TERM OF AGREEMENT

This Agreement shall commence upon the signing of the Agreement by COUNTY. The term of this Agreement shall be on a month-to-month basis until terminated."

Number: 3 Author: jdixon Subject: Cross-Out Date: 8/31/2023 8:56:47 AM

Number: 4 Author: jdixon Subject: Highlight Date: 8/31/2023 10:35:23 AM

Number: 5 Author: jdixon Subject: Sticky Note Date: 8/31/2023 10:21:07 AM

2. Option to Extend Term. Section 2.02 shall be deleted in its entirety.

Number: 6 Author: jdixon Subject: Typewritten Text Date: 8/31/2023 10:39:09 AM

Amendment No 2

Number: 7 Author: jdixon Subject: Cross-Out Date: 8/31/2023 10:10:45 AM

Number: 8 Author: jdixon Subject: Highlight Date: 8/31/2023 10:35:33 AM

Number: 9 Author: jdixon Subject: Highlight Date: 8/31/2023 10:35:43 AM



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

OPERATOR shall obtain Airport Director's prior written consent before implementing any changes to the Operating Area.

SECTION 3.02 COUNTY'S RIGHT TO ADD OR WITHDRAW PARKING AREAS

COUNTY, through its designee the Airport Director, reserves the right to add parking areas and to construct additional sites to accommodate vehicular parking at the Airport to be operated by OPERATOR. In the event COUNTY adds parking area, OPERATOR agrees to operate the additional parking areas which may be added by COUNTY, and such operation shall be in accordance with the terms, conditions and covenants of this Agreement. Airport Director may increase the annual fee paid to OPERATOR in proportion to the actual increase in OPERATOR's cost, excluding profit, for operating the additional areas.

Airport Director may withdraw, close, cancel, discontinue, relocate or terminate operation by OPERATOR of any part of the parking areas designated on Exhibits A and B or any additional parking areas hereafter made available. In the event COUNTY withdraws, closes, cancels, discontinues, relocates or terminates operation by OPERATOR of any of the parking areas, OPERATOR shall continue to operate those parking areas which remain open in accordance with the terms, conditions and covenants of this Agreement

Airport may exercise the right to add or withdraw parking area at any time during the term of this Agreement by giving OPERATOR thirty (30) days' prior written notice.

SECTION 3.03 NATURE OF OPERATING AGREEMENT

OPERATOR acknowledges and agrees:

- A. That COUNTY is granting to OPERATOR the right to use the Operating Area only.
- B. That COUNTY retains a fee ownership for federal income tax purposes in and to the Operating Area, as well as all other ownership burdens and benefits connected with such fee ownership.
- C. That OPERATOR has not been granted any direct or indirect right or option to purchase the Operating Area from COUNTY at any time during or after the termination of this Agreement.
- D. That OPERATOR shall not make any modifications, including but not limited to, the expansion or reduction of available parking spaces within the Operating Area without prior written approval from the Airport Director.

SECTION 3.04 INSTALLATION OF EQUIPMENT OUTSIDE THE OPERATING

OPERATOR shall not install equipment of any kind outside the Operating Area unless authorized in writing by the Airport Director prior to installation.



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ARTICLE IV

Amendment No 21

FEEES PAID TO OPERATOR

SECTION 4.01 FEEES PAID TO OPERATOR

A. For Parking Facilities Operation:

1. As consideration for OPERATOR's agreement to undertake operation of the Parking Facilities, including maintenance and janitorial services, COUNTY shall pay OPERATOR the annual fee of Three Million Eight Hundred Thirty-Six Thousand Nine Hundred Dollars (\$3,836,900). Fees shall be paid to OPERATOR in equal monthly installments no later than twenty (20) days after receipt of a monthly invoice in a format acceptable to Auditor-Controller. In the event commencement or termination of this Agreement does not require the OPERATOR to fulfill a complete calendar month of service, the fee shall be prorated.
2. The fees paid to OPERATOR shall be the only compensation provided to OPERATOR for Parking Facilities operation, maintenance and janitorial services.
3. COUNTY shall deduct from OPERATOR's fee the cost to repair damage to revenue control equipment or other Airport property which was caused by the OPERATOR, its employees, agents, vendors, licensees or any person or entity under contract with OPERATOR. In addition, the COUNTY shall deduct all bad debt losses, including but not limited to, uncollectible credit card charges, uncollectible unpaid parking fees, undercharges or shortages, and counterfeit bills or checks not honored by the bank and all costs associated with the collection of such funds.

B. For Valet Parking Operation:

1. As consideration for OPERATOR'S agreement to undertake operation of Valet Parking and Car Wash and Detail, COUNTY shall pay OPERATOR fees which shall be determined as follows:
 - a) Monthly Gross Receipts x 32.5% = FEE PAID OPERATOR
 Percentage due OPERATOR for Valet Parking
 - b) Monthly Gross Receipts x 92% = FEE PAID OPERATOR
 Percentage due OPERATOR for Car Wash and Detail
2. The fees paid to OPERATOR shall be the only compensation provided to OPERATOR for valet parking operations and car wash and detail.

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Number: 1 Author: jdixon Subject: Typewritten Text Date: 8/31/2023 10:54:12 AM

Amendment No 2

Number: 2 Author: jdixon Subject: Highlight Date: 8/31/2023 10:22:31 AM

Number: 3 Author: jdixon Subject: Sticky Note Date: 9/6/2023 2:52:24 PM

3. Fees Paid For Parking Facilities Operation. Section 4.01(A)(1) shall be replaced with the following:

"1. Commencing November 1, 2023, as consideration for Operators's Agreement to undertake operation of the Parking Facilities, including maintenance and janitorial services, County shall pay Operator the monthly fee of THREE HUNDRED FIFTY SEVEN SIX HUNDRED SIXTY-THREE AND FIFTY (\$357,663.50). Fees shall be paid to Operator in equally monthly installments no later than twenty (20) days after receipt of a monthly invoice in a format acceptable to the Auditor-Controller. In the event commencement or termination of this Agreement does not require the Operator to fulfill a complete calendar month of service, the fee shall be prorated."

Author: jdixon Subject: Sticky Note Date: 9/6/2023 2:52:14 PM

4. Fees Paid For Traffic Control and Passenger Experience in the TNC Areas. Section 4.01(C)(1) shall be replaced with the following:

"1. Commencing November 1, 2023, as consideration for Operator's agreement to undertake the management and operation of traffic control and facilitate a superior guest experience in the TNC Areas, County shall pay Operator an additional monthly fee of FIFTY FIVE THOUSAND TWO HUNDRED SEVENTY-SEVEN AND FIFTY-EIGHT (\$55,277.58) ("Additional Fees") per month. The Additional Fees shall be paid to Operator in equal monthly installments no later than twenty (20) days after receipt of a monthly invoice in a format acceptable to Auditor-Controller. In the event commencement or termination of this Agreement does not require the Operator to fulfill a complete calendar month of service, the fee shall be prorated."



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3. COUNTY shall deduct from OPERATOR's fee the cost to repair damage to revenue control equipment or other Airport property which was caused by the OPERATOR, its employees, agents, vendors, licensees or any person or entity under contract with OPERATOR. In addition, the COUNTY shall deduct all bad debt losses, including but not limited to, uncollectible credit card charges, uncollectible unpaid parking fees, undercharges or shortages, and counterfeit bills or checks not honored by the bank and all costs associated with the collection of such funds.
4. On or before the fifteenth (15th) day of the month, OPERATOR shall submit a monthly invoice in a format acceptable to Auditor-Controller showing OPERATOR's gross receipts for valet parking and car wash and detail for the preceding calendar month and the calculation of OPERATOR's fees. If Auditor-Controller or Airport Director requests additional substantiation of the fees due OPERATOR, payment shall not be made before such additional information has been provided.
5. OPERATOR's fee shall be paid to OPERATOR no later than twenty (20) days after receipt by Auditor-Controller of an acceptable monthly invoice. Said invoice shall be signed by OPERATOR or its designee. OPERATOR must attest under penalty of perjury that the transactions and dollar amounts of transactions submitted to Auditor-Controller are an accurate representation of OPERATOR's records.

SECTION 4.02 REVISION OF FEES PAID TO OPERATOR FOR PARKING FACILITIES OPERATION

In the event this Agreement is extended for the additional option-year periods, the annual fee for Parking Facilities operation, maintenance and janitorial services specified in Section 4.01 (FEES PAID TO OPERATOR) shall be subject to adjustment. Said adjustment shall be in accordance with the change in the Consumer Price Index for Los Angeles – Anaheim – Riverside (All Urban Consumers – All Items) promulgated by the Bureau of Labor Statistics of the U. S. Department of Labor. The automatic adjustment shall be effective if the Agreement term is extended pursuant to Section 2.02 (OPTION TO EXTEND TERM). Said automatic adjustment shall be calculated by means of the following formula:

$$X = A \times \frac{B}{C}$$

- X =** Adjusted annual fee for Parking Facilities Operation
A = Initial annual fee for Parking Facilities Operation
B = Monthly index for the fourth month prior to the month in which each fee adjustment is to become effective.
C = Monthly index for the month during which COUNTY signed the Agreement.



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In no event shall said fee be decreased by means of this adjustment. In the event that the Consumer Price Index ("CPI") ceases to use 1982-84 = 100 as the basis of calculation, or if, in COUNTY's sole judgment, a substantial change is made in the method used by the federal government to determine the CPI or the items used to calculate the CPI, then the CPI shall be converted to the figure that would have been calculated at (or as close to such figure as shall be practical) had the manner of calculating the CPI in effect at the date of this Operating Agreement not been altered.

In the event that the CPI is not issued or published for the period for which such annual fees are to be adjusted and computed hereunder, or in the event that the Bureau of Labor Statistics of the United States Department of Labor should cease to publish said index figures, then any similar index published by any other branch or department of the United States Government selected by COUNTY, shall be used and if none is so published, then another index generally recognized as authoritative shall be substituted by COUNTY.

SECTION 4.03 DEFINITION OF GROSS RECEIPTS

- A. Parking Facilities Operation:** As used in this Section, the term "OPERATOR" shall include OPERATOR, its agents, concessionaires, licensees, or any person acting under contract with OPERATOR. The term "Gross Receipts" shall include all revenue due COUNTY resulting from OPERATOR's operation of the Parking Facilities, whether or not actually collected or received by OPERATOR, including, but not limited to, parking fees for any vehicle parking for any length of time in the Parking Facilities, the sale price for all employee parking access cards shown on the monthly statement of employee parking access cards sold (or other method of accounting authorized by COUNTY for employee parking access cards) and any revenue from any COUNTY approved ancillary services provided by OPERATOR.
1. **Ownership.** All Gross Receipts received by OPERATOR in its operation of the Parking Facilities shall become, immediately upon the collection and receipt thereof, the property of COUNTY.
 2. **Deductions.** Bad debt losses including but not limited to uncollectible credit card charges, uncollectible Promise to Pay forms, under rings by cashier, NSF checks, uncollectible unpaid parking fees and all costs associated with collection of such funds shall not be deducted from gross receipts. Discounts, including but not limited to, allowances, deductions, rebates, hidden credits, lost tickets, losses from theft (internal or external), robbery or any other reductions shall not be deducted from gross receipts.
 3. **Form.** Gross Receipts may be received from any source in any form including, but not limited to, cash, currency, check, debit card, credit card, or Promise to Pay form.
 4. **Minimum.** Gross Receipts from the Parking Facilities shall not be less than the sum of all cashier shift totals (adjusted for under-rings, undercharges, or shortages) as reported by the parking access revenue control system on daily transaction tapes or reports.



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5. Over-rings, Overcharges or Overages shall accrue to the benefit of COUNTY and are expressly included in Gross Receipts.
 6. Under-rings, Undercharges or Shortages. OPERATOR shall assume all responsibility for losses of revenue to COUNTY as a result of cashiers charging exiting patrons less than the amount due as determined by the entrance time stamp on the parking ticket and the appropriate rate structure upon exit (or other parking access revenue control system mechanisms). Examples include, but are not limited to, collection of any amount less than reported by the parking access revenue control system and miscalculation of fees due from lost tickets, discounts, or validations. Under-rings, undercharges, or shortages shall not be offset against over-rings, overcharges, or overages.
 7. Internal Controls. It is OPERATOR's responsibility to establish and maintain a sufficient internal control system to ensure proper recording and reporting of Gross Receipts. Internal controls shall include, but are not limited to: (a) a plan of organization that provides segregation of duties appropriate for proper safeguarding of County assets; (b) a plan that limits access to County assets to authorized personnel who require these assets in the performance of their assigned duties; (c) a system of authorization and record keeping procedures adequate to provide effective accounting control over assets and revenues; (d) an established system of practices to be followed in performance of duties and functions; (e) personnel of a quality commensurate with their responsibilities; and (f) an effective system of internal review.
 8. Abandoned Vehicles. OPERATOR shall not be responsible for fees due from vehicles towed away by COUNTY provided OPERATOR has complied with Section 5.03 (OPERATIONAL REQUIREMENTS) to notify COUNTY in writing of any vehicle parking in excess of thirty (30) days. Failure of OPERATOR to comply with this notification requirement shall result in OPERATOR immediately crediting COUNTY for all parking fees due upon the towing of the vehicle from the Parking Facilities, limited to an amount of sixty (60) days multiplied by the daily maximum rate applicable for the location.
- B. Valet Parking Operation:** As used in this Section, the term "OPERATOR" shall include OPERATOR, its agents, concessionaires, licensees, or any person acting under contract with OPERATOR. The term "gross receipts" upon which percentage fees are to be based shall mean all income earned by OPERATOR as a result of the operation of valet parking and car wash and auto detail service.
1. Gross receipts shall not equal less than the revenue control system totals as documented by daily transaction tapes. All gross receipts received by OPERATOR shall become the property of the COUNTY upon collection. Gross receipts shall exclude all sales and excise taxes payable by OPERATOR to federal, state, county, or municipal governments as a direct result of operations under this Agreement.



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2. Bad debt losses including but not limited to uncollectible credit card charges, under rings by cashier, NSF checks, uncollectible unpaid parking fees and all costs associated with collection of such funds shall not be deducted from gross receipts. Discounts, including but not limited to, allowances, deductions, rebates, hidden credits, lost tickets, losses from theft (internal or external), robbery or any other reductions shall not be deducted from gross receipts.
3. Over-rings, overcharges or overages shall accrue to the benefit of COUNTY and are expressly included in Gross Receipts.
4. OPERATOR shall assume all responsibility for losses of revenue to COUNTY as a result of cashiers charging exiting patrons less than the amount due as determined by the entrance time stamp on the parking ticket and the appropriate rate structure upon exit (or other parking access revenue control system mechanisms). Examples include, but are not limited to, collection of any amount less than reported by the parking access revenue control system and miscalculation of fees due from lost tickets, discounts, or validations. Under-rings, undercharges, or shortages shall not be offset against over-rings, overcharges, or overages.

**SECTION 4.04 DEPOSIT AND REPORTING OF GROSS RECEIPTS FROM
 PARKING FACILITIES OPERATION**

- A. Deposit. All gross receipts derived from OPERATOR's operation of the Parking Facilities shall be the property of COUNTY at all times during the term of this Agreement and shall be collected, accounted for, and deposited by OPERATOR as provided herein.

OPERATOR shall prepare a bank deposit for each day of the week and arrange for an armored car service to pick up the daily gross receipts. Gross receipts received on Saturdays and Sundays shall be picked up on the following Monday, and the gross receipts received on the Saturday and Sunday before a Monday holiday shall be picked up on the following Tuesday. OPERATOR shall pay for the cost of the armored car service. OPERATOR shall obtain daily written receipt forms from the armored car service to document that the gross receipts were transferred into the custody of the armored car service for delivery to the bank.

- B. Reporting. Concurrently with copy of the bank deposit ticket, OPERATOR shall deliver to the Office of Auditor-Controller a daily revenue and deposit report, revenue reports by parking structures and lots, and ticket and passage exception reconciliation. The form and content of said reports shall be approved by Auditor-Controller.



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OPERATOR shall also deliver to Auditor-Controller daily parking tickets collected in each exit lane.

With submission of monthly invoice, OPERATOR shall also submit to Auditor-Controller a daily sales journal by month and monthly activity report for car count and revenue collected. The content of said report shall be approved by Auditor-Controller.

SECTION 4.05 DEPOSIT AND REPORTING OF GROSS RECEIPTS FROM VALET PARKING OPERATION

OPERATOR shall deposit all collected gross receipts to COUNTY's account within 24 hours after collection by OPERATOR. Gross receipts received on Saturdays and Sundays shall be deposited the following Monday to COUNTY's account. Gross receipts collected on a Saturday or Sunday before a Monday holiday shall be deposited into the COUNTY's account on the following Tuesday. OPERATOR shall arrange and pay for an armored car service to pick up all gross receipts directly from the Airport for deposit no later than twenty-four (24) hours after collection by OPERATOR.

OPERATOR shall obtain written receipt forms from the armored car service to document that the gross receipts were transferred into the custody of the armored car service for delivery to the bank designated by Airport Director. OPERATOR shall deliver copy of the bank deposit ticket to the Auditor-Controller the same day the gross receipts are picked up by the armored car service.

OPERATOR shall provide the COUNTY daily and monthly reports regarding the disposition of gross receipts as follows:

- A. Daily Reports. OPERATOR shall deliver to the Auditor- Controller a daily revenue and deposit report, cashier summary report, valet ticket and car wash order reports. Said reports shall include all parking tickets collected that day, a car count for that day, a daily vehicle license plate inventory, and a comparison between ticket counts and physical inventory count.
- B. Monthly Reports. With submission of monthly invoice, OPERATOR shall also submit to Auditor-Controller a daily sales journal by month and monthly tickets and revenue report, including the number of cars valet parked by duration period, number of service orders for cash wash and detail, and revenue collected.

The form and content of all reports or documents used by OPERATOR for submission to the Auditor-Controller shall be approved by the Auditor-Controller prior to submission.

SECTION 4.06 PARKING RATES AND SIGNAGE

- A. Parking Facilities: Rates for public parking shall be as approved by Resolution of COUNTY's Board of Supervisors and as amended from time to time. The parking rates and parking lot status (e.g., "lot full"), shall be posted at all times at each entrance to the parking



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lots. Signs listing parking rates shall be provided by OPERATOR at OPERATOR's expense. Said signs shall be clearly legible and of a type and design approved by Airport Director. If rates are amended by COUNTY, OPERATOR shall, at OPERATOR's expense, change all signs to reflect the changed rates.

- B. Valet Parking:** During the first year of operation, OPERATOR shall charge the following rates for each valet-parked vehicle in the Operating Area during for the first 24-hour period and each 24-hour period thereafter:

<u>Hour</u>	<u>Valet Parking Rate</u>
1	\$10
2	\$20
3-24	\$30

- C. Car Wash and Detail:** During the first year of operation, OPERATOR or its subcontractor shall charge the following rates for car wash and detail of valet-parked vehicles:

	<u>Car</u>	<u>SUV</u>
Basic Hand Wash	\$29	\$34
Ultimate exterior or ultimate interior	\$89	\$99
Ultimate interior plus ultimate exterior	\$159	\$179
Sealant wax (includes hand wash)	\$55	\$65

Should OPERATOR or its subcontractor desire to change the valet parking rate or the car wash and detail rates, prior approval must be obtained from the Board of Supervisors. OPERATOR shall bear such costs as required for the revenue control system to reflect the revised rate.

OPERATOR's attendants may accept gratuities for valet parking; however, cashiers may not give cash-back to a customer in excess of \$20.

Valet parking rates shall be posted at all times at the Vehicle Drop-Off and Pick-Up Area. Signs listing the rates shall be provided and installed by OPERATOR at its expense. Said signs shall be legible and readily visible and be of a type and design approved by Airport Director. If a revision of the rates is approved by the Board of Supervisors, the OPERATOR shall, at its expense, change all signs to reflect the new rates.



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SECTION 4.07 RECORDS AND ACCOUNTS

A. Records. OPERATOR's records as referred to in this Agreement are defined as and shall include any and all information, materials and data of every kind and character in any format, including, but not limited to records, accounts, financial transactions, books, papers, documents, recordings, notes, daily logs, supervisor reports, receipts, vouchers, stamps, cashier activity reports and daily sales audit reports, time sheets, time cards or other employee time tracking methods, payroll registers, payroll records, cancelled payroll checks, employee schedules (or other means of informing employees of their work schedules), any and all other agreements, sources of information and matters that may, at COUNTY's sole discretion, have any bearing on matters of interest to COUNTY in connection with OPERATOR's dealings with COUNTY to the extent necessary to adequately permit evaluation and verification of any or all of the following:

- 1) Accuracy of amounts billed to COUNTY for services provided by OPERATOR
- 2) Accuracy of amounts owed to COUNTY resulting from OPERATOR's operation of the Parking Facilities and Valet Parking.
- 3) Compliance with any requirement in this Agreement.

OPERATOR shall, at all times during the term of this Agreement, keep or cause to be kept true and complete books, records, and accounts of all patron and vehicle transactions in the operation of all business activities, of whatever nature, conducted in pursuance of the rights granted herein. The records must be supported by source documents including but not limited to daily vehicle inventory logs, parking tickets, claim checks, invoices, computer records and printouts, cash register tapes, or other pertinent documents.

OPERATOR shall issue parking tickets as specified by Airport Director which are compatible with the Airport's parking control equipment and shall keep a record acceptable to COUNTY of said tickets. Parking tickets should be retained until the completion of the annual audit from an independent Certified Accountant (CPA) or CPA firm. This retention period will exceed one year in the case of the first month for the year under audit.

Except as otherwise provided herein, all gross receipts shall be recorded by means of an electronic revenue control system including cash registers or other comparable devices which display the amount of the transaction and automatically issue a receipt. The registers shall be equipped with devices which lock in sales totals and other transaction records, or with counters which are not resettable and which record transaction numbers and sales details. Totals registered shall be read and recorded by OPERATOR at the beginning and end of each business day. Gross receipts may be recorded by system other than described above provided said system is approved by the Auditor-Controller.



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- B. The Accounting Year. The Accounting Year shall be twelve full calendar months. The accounting year may be established by OPERATOR, provided OPERATOR notifies Auditor-Controller in writing of the accounting year to be used. Said accounting year shall be deemed to be approved by Auditor-Controller unless Auditor-Controller has objected to OPERATOR's selection in writing within sixty (60) days of OPERATOR's written notification.

In the event OPERATOR fails to establish an accounting year of its choice, regardless of the cause, the accounting year shall be synonymous with the twelve-month period contained in the first one-year term of the Agreement.

Any portion of a year that is not reconciled, should the accounting year and the anniversary year of the agreement commencement not be the same, shall be accounted for as if it were a complete accounting year.

Once an accounting year is established, it shall be continued through the term of the agreement unless Auditor-Controller specifically approves in writing a different accounting year. Auditor-Controller shall only approve a change in accounting years in the event of undue hardship being placed on either the OPERATOR or COUNTY, and not because of mere convenience or inconvenience.

- C. Financial Statements. Within ninety (90) days after the end of each accounting year, OPERATOR at its own expense shall submit to the Auditor-Controller and to the Airport Director an audited statement of its gross receipts for all John Wayne Airport operations for the previous accounting year. This statement must include a breakdown schedule of total gross receipts by type and month. This statement must be prepared by an independent Certified Public Accountant (CPA) or an independent CPA firm holding a current and valid license and completion of attest experience ("A") with the State Board of Accountancy. The audit must be performed in accordance with current Generally Accepted Auditing Standards (GAAS) authorized by the American Institute of Certified Public Accountants (AICPA).

The audited statement of gross receipts shall include total gross receipts for the accounting year as classified according to the categories of business established for percentage rental and listed in the section of this Agreement entitled "FEES PAID TO OPERATOR" and for any other business conducted on or from the Airport.

OPERATOR shall provide COUNTY with copies of any Certified Public Accountant management letters and audited or reviewed financial statements prepared in conjunction with their audit of OPERATOR's operations from the Airport. Copies of management letters and/or financial statements shall be provided directly to COUNTY by the CPA at the same time OPERATOR's copy is provided to OPERATOR.

OPERATOR acknowledges that any and all of the "Financial Statements" submitted to COUNTY pursuant to this Agreement become Public Records and are subject to public inspection pursuant to Sec. 6250 et seq. of the California Government Code.



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D. Failure to Submit Financial Statements. In addition to any other remedies available to COUNTY at law or in equity or under this Agreement, in the event that OPERATOR fails to submit any financial statements by the due date listed in the clause of this Agreement entitled "RECORDS AND ACCOUNTS", Airport Director may require OPERATOR to submit the greater of:

1. \$5,000 fine; or
2. Any and all costs incurred by COUNTY for the Certified Public Accountant hired by the COUNTY to prepare the required financial statements, including an administrative fee equal to fifteen percent (15%) of those costs.

E. Audits. All of the OPERATOR's books of account and records and supporting source documents related to this Agreement or to business operations conducted within or from the

Airport shall be kept and made available to COUNTY at one location within the limits of the County of Orange. COUNTY shall, through its duly authorized agents or representatives, have the right to examine and audit said books of account and records and supporting source documents at any and all reasonable times for the purpose of determining the accuracy thereof, and of the monthly statements of gross receipts made and monies received.

Auditor-Controller, upon request of OPERATOR and at said Auditor-Controller's sole discretion, may authorize the above-referenced books and records and supporting source documents to be kept in a single location outside the limits of Orange County provided OPERATOR shall agree to pay all expenses, including, but not limited to, transportation, food, and lodging necessary for Auditor-Controller to send a representative to audit said books and records. Said right shall not be exercised by Auditor-Controller more than once each Accounting Year.

OPERATOR shall retain records for a period of the balance of the Accounting Year in which the record was created, recorded, or otherwise prepared, plus five (5) years regardless of when this contract expires or the contract terminated. COUNTY or its designee may conduct such audits or inspections throughout the term of this Agreement and for a period of five (5) years after final payment or longer if permitted by law.

The full cost of any audit or review, as determined by COUNTY, shall be borne by COUNTY. OPERATOR shall bear the full cost of any audit or review, in addition to any deductions from fee payments applied from Section 5.06 (DEDUCTIONS FROM FEE PAYMENTS), if any of the following conditions are found to exist as a result of the audit or review:

1. The audit reveals an overpayment of more than one-percent (1%) between the amount due OPERATOR as calculated by the audit or review and the amount paid by COUNTY to OPERATOR as determined by said audit.



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2. The audit reveals an underpayment of more than one-percent (1%) between the revenue due the COUNTY as reported and paid by OPERATOR in accordance with this Agreement and the revenue due as determined by said audit.
3. OPERATOR has failed to maintain true and complete books, records, accounts and supporting source documents in accordance with this section. The adequacy of records shall be determined at the sole discretion of COUNTY's Auditor-Controller.

Otherwise, COUNTY shall bear the cost of said audit, excluding the aforementioned expenses related to audit of documents kept outside the limits of Orange County.

Upon the request of Auditor-Controller, OPERATOR shall promptly provide, at OPERATOR's expense, necessary data to enable COUNTY to fully comply with any and every requirement of the State of California or the United States of America for information or reports relating to this Agreement and to OPERATOR's use of the Airport. Such data shall include, if required, a detailed breakdown of OPERATOR's receipts and expenses.

- F. Failure to Maintain Adequate Records. In addition to any other remedies available to COUNTY at law or in equity or under this Agreement, in the event that OPERATOR fails to maintain and keep books, records and accounts of gross receipts from business operations conducted on or from the Airport and/or source documents relating thereto, or to make the same available to Auditor-Controller for examination and audit, or to record sales and/or to maintain registers to record sales, or to provide financial statements and other information to Auditor-Controller regarding gross receipts as required by this Agreement, Auditor-Controller, at Auditor-Controller's option, may:
1. Perform such examinations, audits and/or investigations itself or through agents or employees as COUNTY and/or its auditors may deem appropriate to confirm the amount of percentage fees payable by OPERATOR under this Agreement and any and all costs and/or expenses incurred by COUNTY in connection therewith shall be promptly reimbursed to COUNTY by OPERATOR upon demand;
 2. Provide accounting services and/or a system for recording gross receipts and charges, including without limitation cash registers, for use by OPERATOR in business transactions upon or from the Airport, and, at COUNTY's option, maintain personnel on the Airport to observe and/or record such sales during OPERATOR's business hours, or from time to time, all at OPERATOR's sole cost and expense and, in such event, OPERATOR shall promptly reimburse COUNTY for any and all costs incurred by COUNTY in connection therewith; and/or
 3. Require that OPERATOR pay percentage fees based on COUNTY's best good faith estimate of OPERATOR's gross receipts from business operations conducted on or from the Airport and any such determination made by COUNTY shall be conclusive and binding upon OPERATOR.



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Costs payable by OPERATOR pursuant to this section shall include reimbursement to COUNTY of COUNTY provided services at such rates as COUNTY may, from time to time, in good faith, establish for such services. In the case of services provided by COUNTY's employees, such rates shall be sufficient to reimburse COUNTY for employees' salaries, including employee taxes and benefits and COUNTY's overhead or, at Auditor-Controller's option, may be the rate for such services that would be charged by a qualified third party or parties, approved by Auditor-Controller, if engaged by COUNTY to perform such services.

SECTION 4.08 PROVISION AGAINST SET-OFFS

It is the obligation of OPERATOR to submit all revenues free of any set-offs or claims, at the times specified in this Agreement. In the event that OPERATOR desires to contest the validity or amount of any such fees or charges, OPERATOR shall first pay the same to COUNTY and may then seek a refund by submitting a request in writing to John Wayne Airport, Accounting Services, 3160 Airway Avenue, Costa Mesa, California 92626.

SECTION 4.09 SECURITY DEPOSIT

A. Parking Facilities: Prior to the commencement of operations, OPERATOR shall deposit with COUNTY a security deposit in the sum of Three Hundred Ninety Thousand Dollars (\$390,000), subject to the provisions for adjustment as provided hereinafter.

The Parking Facilities security deposit to be provided by OPERATOR shall be adjusted annually to approximately four (4) times the average daily gross receipts as determined by Airport Director to guarantee the faithful performance by OPERATOR of its obligations under this Agreement and the payment of all fees due hereunder.

B. Valet Parking: Prior to the commencement of operations, OPERATOR shall deposit with COUNTY a security deposit in the sum of One Hundred Twenty Thousand Seven Hundred Fifty Three Dollars (\$120,753), subject to the provisions for adjustment as provided hereinafter.

The Valet Parking security deposit to be provided by OPERATOR shall be adjusted annually to approximately nine (9) times the average daily gross receipts as determined by Airport Director to guarantee the faithful performance by OPERATOR of its obligations under this Agreement and the payment of all fees due hereunder.

The security deposits shall take one of the forms set out below and shall guarantee OPERATOR's full and faithful performance of all the terms, covenants, and conditions of this Agreement:

1. An instrument or instruments of credit from one or more financial institutions, subject to regulation by the State of California or Federal government, pledging that funds necessary to secure performance of the Agreement terms, covenants, and conditions are on deposit and guaranteed for payment, and agreeing that said funds shall be trust funds securing



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OPERATOR's performance and that all or any part shall be paid to COUNTY, or order upon demand by Airport Director. Both the financial institution(s) and the form of the instrument(s) must be approved by Airport Director.

2. A Faithful Performance Bond executed by a surety company or financial institution qualified and admitted to do business in the State of California and issued in a form, approved by the COUNTY.

Under the bond, the surety company shall guarantee to COUNTY full and complete performance of all the terms, conditions and covenants herein to be performed on the part of the OPERATOR, including the payment of use fees as well as any and all other payments. Said bond shall be maintained at the cost of the OPERATOR throughout the existence of this Agreement. Said Surety shall give Airport Director a minimum (30) days' prior written notice of cancellation or material change in said bond. Such cancellation or material change without Airport Director's prior written consent shall constitute a default under this Agreement.

Regardless of the form in which OPERATOR elects to make said security deposit, all or any portion of the principal sum shall be available unconditionally to the COUNTY for correcting any default or breach of this Agreement by OPERATOR, its successors or assigns, or for payment of expenses incurred by COUNTY as a result of the failure of OPERATOR, its successors or assigns, to faithfully perform all terms, covenants, and conditions of this Agreement.

Said instrument of credit or bond shall have the effect of releasing depository or creditor therein from liability on account of the payment of any or all of the principal sum to COUNTY, or order upon demand by Airport Director.

In the event Airport Director withdraws all or any portion of the security deposit as provided herein, OPERATOR shall, within ten (10) days of any withdrawal by Airport Director, replenish the security deposit to maintain it at amounts herein required throughout the Agreement term. Failure to do so shall be deemed a default and shall be grounds for immediate termination of this Agreement.

OPERATOR shall be obligated to maintain the security deposit in effect until the Expiration Date of the Agreement.

Within thirty (30) days after notification of any change in the required security deposit amount, OPERATOR shall submit to Airport Director any additional security deposit as may be required.

The security deposit, after deduction of all amounts due COUNTY, shall be rebated, reassigned, released or endorsed by the COUNTY to OPERATOR or order, as applicable, after one hundred twenty (120) days have elapsed following the expiration date of the Agreement term, provided OPERATOR has fully and faithfully performed each and every term, covenant, and condition of this Agreement.



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ARTICLE V

USE, OPERATION, MAINTENANCE AND CONDITION OF OPERATING AREA

SECTION 5.01 USE

- A. Required Services and Uses. OPERATOR's use of the Airport shall be limited to the operation and management of the Parking Facilities, Valet Parking and Car Wash and Detail to serve the traveling public, guests, employees and other Airport users.
- B. Optional Services and Uses. Subject to the prior written approval of Airport Director, OPERATOR may be granted the option to provide those additional services and uses which are ancillary to and compatible with the operational requirements of this Agreement.
- C. Prohibited Use. The above listed services and uses, both required and optional, shall be the only services and uses permitted. OPERATOR agrees not to use the OPERATING AREA for any other purpose nor to engage in or permit any other activity within or from the OPERATING AREA. This prohibition includes, but is not limited to, the sale of products of any kind, any tobacco products, or any vending machines dispensing products of any kind, except that one vending machine for employee use is permitted in the parking office. OPERATOR shall not allow the parking or retrieval of valeted vehicles by valet customers.

OPERATOR agrees not to use the Operating Area for any other purpose nor to engage in or permit any other activity by OPERATOR's employees, agents or contractors, within or from the Operating Area. Airport Director reserves the right to authorize advertising sponsorships in the Operating Area.

In the event OPERATOR breaches this Agreement by using or permitting the Operating Area to be used in any manner other than as expressly permitted under this Agreement, OPERATOR shall pay COUNTY a sum equal to 100% of the gross receipts for any service or use that is not permitted by this Agreement, or otherwise authorized in this Agreement entitled. COUNTY shall deduct such payment from OPERATOR's invoice within 30 days of notifying OPERATOR by registered mail. The existence of the 100% charge in this Section, or the deduction or receipt of money under this Section, does not constitute an authorization for a particular service or use and does not constitute a waiver of COUNTY's right to require OPERATOR to terminate such service or use. The parties agree that COUNTY's actual damages, in the event of such a breach by OPERATOR would be extremely difficult or impossible to determine; therefore, an amount equal to the amount of 100% of such gross receipts has been agreed upon, after negotiation, as the parties' best estimate of COUNTY's reasonable damages.

OPERATOR also agrees not to conduct or permit to be conducted any public or private nuisance (as defined in C.C. 3479) in, on or from the Operating Agreement, or to commit or permit to be committed any waste in, on or from the Operating Agreement.



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SECTION 5.02 RULES AND REGULATIONS

COUNTY may adopt and enforce Rules and Regulations which OPERATOR agrees to observe and obey, with respect to the use of the Airport and its appurtenances, facilities, improvements, equipment and services; provided that such rules and regulations shall not be inconsistent with safety and with rules, regulations and orders of the FAA and TSA with respect to all operations of the Airport.

OPERATOR shall comply with all Airport Rules and Regulations and shall observe, obey, comply with and not otherwise hinder or obstruct any and all rules, regulations, laws, ordinances, statutes or orders of any governmental authority, whether Federal, State, or local, lawfully exercising authority over the Airport or the activities thereon, including compliance with FAA, TSA and Airport security rules, regulations and plans. Except in the case of emergency, the COUNTY shall give OPERATOR written notice and opportunity to comment on any proposed changes or additions to the rules and regulations that could impact OPERATOR's operation at the Airport before such proposed rules and regulations are adopted by the COUNTY. OPERATOR may download a copy of the Airport Rules and Regulations at <http://www.ocair.com/aboutjwa/rulesandregulations>.

To the fullest extent authorized by law, OPERATOR shall be liable to COUNTY for any and all claims, demands, damages, fines or penalties of any nature whatsoever which may be imposed upon COUNTY due to OPERATOR's violation of any governmental rules, regulations or standards as now or may hereafter be promulgated or enacted, including, but not limited to, the payment of any fines or penalties for any breach of security, arising from the unauthorized entry of any person or vehicle onto Airport or from any other violations caused directly or indirectly by the act, omission, negligence, abuse or carelessness on the part of OPERATOR, its employees, subcontractors, agents or suppliers.

COUNTY shall not be liable to OPERATOR for any diminution or deprivation of possession, or of its rights hereunder, on account of the exercise of such right or authority as in this Section provided, nor shall OPERATOR be entitled to terminate the whole or any portion of the rights granted herein by reason of the exercise of such right or authority, unless the exercise thereof shall so interfere with OPERATOR's use and occupancy of the Operating Area so as to constitute a termination in whole or in part of this Agreement by operation of law in accordance with the laws of the State of California.



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SECTION 5.03 OPERATIONAL REQUIREMENTS

OPERATOR shall operate the Parking Facilities in a competent and efficient manner in accordance with the terms of this Agreement. OPERATOR shall at all times maintain qualified and experienced personnel to manage the Parking Facilities and provide a high standard of service to the traveling public utilizing its service.

OPERATOR agrees to abide by the following operational requirements:

- A. Uniforms. OPERATOR shall require all of OPERATOR's employees working in view of the public to wear uniforms of a design approved by Airport Director. Management employees are exempt from the uniform requirement. Uniforms shall be clearly distinguishable from those worn by employees working in other ground transportation operations. Uniforms must be clean, pressed, and professional in appearance, and worn at all times while working on the Airport. In addition to the approved uniform, employees shall wear a nametag, worn above the waist, with OPERATOR's logo readily identifying them as an employee of OPERATOR.
- B. Noninterference. OPERATOR shall cooperate with and not interfere with COUNTY's and other operators' use of and operations at the Airport. OPERATOR shall not place any ropes, barricades and/or stanchions on the public or common use area without prior written approval of Airport Director. OPERATOR shall not do anything or fail to do anything which would invalidate or conflict with any fire or other casualty insurance policies required of OPERATOR or COUNTY under this Agreement.
- C. Authorized Staffing Schedule. It is anticipated that the staffing levels at the beginning of the term of this Agreement will be as specified below. However, in the event Airport Director determines that an increase or decrease in employee hours is required in order to properly accommodate the public at certain periods or during construction of new Parking Facilities, or due to technical advances in parking access revenue control systems, OPERATOR shall add or remove such personnel as directed by Airport Director.
- 1) Shift Supervisor. OPERATOR shall provide one (1) shift supervisor 24 hours a day for every day of this Agreement. The shift supervisor shall perform the following duties:



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Supervise the conduct, demeanor and appearance of exit gate cashiers and exit plaza supervisors, supervise the physical inventory and license plate inventory; inspect Parking Facilities on a daily basis to determine if any inherently dangerous conditions exist; train new exit gate cashiers and exit plaza supervisors; conduct surprise audits/inspections; assist parking manager in the investigation of the exit gate cashiers' protection of COUNTY funds; ensure that exit gate cashiers do not tamper with any COUNTY revenue control equipment; inspect all ticket dispensing machines and ticket validators/readers at least once per shift to ensure that all are in good working condition and are stocked with tickets; ensure that cashier booths are stocked with appropriate forms, e.g. Promise to Pay forms, equipment failures, credit card issues, complaints; other duties as required by OPERATOR and approved by Airport Director.

- 2) Exit Plaza Supervisor. OPERATOR shall provide exit plaza supervisors in accordance with the Authorized Staffing Schedule. Each exit plaza supervisor shall assist, but not replace, the shift supervisor as needed in the supervision of personnel, in the operation of parking equipment, related operational tasks, and other duties as required by OPERATOR and approved by Airport Director.
- 3) Exit Gate Cashier. OPERATOR shall provide exit gate cashiers in accordance with the Authorized Staffing Schedule. This position will perform cashiering functions and will include but not be limited to, knowledge of Airport locations and rates, and processing monetary transactions at exit plazas. Nightly license plate inventory (LPI) shall also be conducted by cashiers.
- 4) Parking Manager. OPERATOR shall select, hire and pay the salary of a full-time Parking Manager whose time shall be devoted exclusively to the operation of the Parking Facilities and Valet Parking. The Parking Manager shall take direction from Airport Director. Such person must be an outstanding, highly qualified and experienced manager of parking facilities and valet parking, vested with OPERATOR's full power and authority over the method, manner and conduct of parking operations on the Airport, in addition to the appearance, conduct and demeanor of OPERATOR's employees. The Manager shall be assigned to the Parking Facilities Management office located in the GTC and shall be available upon 15 minutes notice during regular business hours (8am to 5pm, Monday through Friday, (excluding COUNTY observed holidays); and shall carry a cell phone while on duty to facilitate contact. At all times during Parking Manager's absence, a designated substitute shall be in charge and available at such duty station. The Parking Manager shall not work in any other position for OPERATOR, compensable or non-compensable. The Manager or the substitute shall be available to arrive at the Airport within one hour of being contacted by Airport to address any parking-related issues that may arise during Airport operating hours.



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- 5) Office Personnel. OPERATOR shall provide office personnel in accordance with the Authorized Staffing Schedule to support office and accounting functions. Office personnel shall perform back office tasks, including but not limited to, training employees, planning work schedules, communicating instructions, assigning employees to specific tasks, monitoring employee performance, ensuring revenues collected are accurately recorded and properly secured, preparing parking revenue reports, coordinating bank deposits, calculating parking revenues, counting gross receipts, sorting parking tickets and receipts, reconciling receipts, investigating revenue discrepancies, recording revenue amounts, reviewing exception parking transactions, securing gross receipts, reviewing revenue reports, responding to customer complaints, counseling employees, transporting parking revenues between exit plazas and the Parking Facility management office, answering telephones, manning the PARCS system control center, assisting customers at public counter or through intercom system, collecting payments for employee parking access cards, processing employee timesheets, typing correspondence, making photocopies, maintaining office files, ordering supplies, monitoring levels of tickets and supplies, processing invoices, distributing mail, transporting field personnel, and delivering materials and supplies.
- 6) Valet Staffing. OPERATOR shall provide all personnel necessary to operate valet parking, including greeters, runners, cashiers and shift supervisors, in accordance with the terms and conditions of this Agreement. Operating hours shall be 5:30 a.m. to 11:00 p.m. daily. In the event of an absence by an employee or an unforeseen increase in demand, OPERATOR shall provide additional employees within a time period not to exceed one (1) hour. The Airport Director reserves the right to approve and/or amend any staffing plan implemented by OPERATOR to comply with the terms and conditions of this Agreement.
- D. Conduct of Employees. OPERATOR shall conduct its operations in an orderly and proper manner so as not to annoy, disturb, or be offensive to customers, patrons, or tenants of the Airport. OPERATION shall control the conduct, demeanor and appearance of its officers, agents, employees and representatives. All personnel shall be trained by OPERATOR to render a high degree of courteous and efficient service. OPERATOR shall require its employees to be properly dressed, clean, courteous and neat in appearance at all times. OPERATOR's employees shall refrain from use of offensive language and/or act in an otherwise offensive manner. OPERATOR shall closely supervise and control the conduct, demeanor and appearance of its personnel and subcontractors to assure the high standard of service to the public parking patrons. Upon objection from Airport Director concerning the conduct, demeanor or appearance of offending employees, OPERATOR shall promptly take all steps necessary to remove the cause of the objection or upon request of Airport Director, remove the employee from service at the Airport.

Personnel employed as drivers must possess a valid California driver's license, be at least 18 years of age and otherwise qualified to operate a motor vehicle.



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OPERATOR shall not engage in, nor permit any of its employees, agents or servants to be engaged in the business of selling supplies or products of any kind, at retail or wholesale prices, in the Parking Facilities or at the Airport; nor install, maintain, operate or permit the installation, maintenance or operation in the Parking Facilities, of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind whatsoever, except that one vending machine for employee use is permitted in the parking office.

- E. Proficiency in English. OPERATOR shall hire personnel that have the ability to read signs, labels, work schedules and simple instructions in English; understand and follow oral directions in English; write simple messages in English and speak English sufficiently to communicate clearly with the public.
- F. Operator is Sole Employer; Duty to Inform. OPERATOR shall notify all of its current and future employees, and all bargaining units representing said employees that (1) OPERATOR is the only employing agency and employer, (2) COUNTY is not the employer and has only contracted with OPERATOR to operate the Parking Facilities and Valet Parking, including car wash and detail, in accordance with the terms of the Agreement, and (3) employment at the Airport with regard to operation of the Parking Facilities and Valet Parking cannot be expected beyond the term of this Agreement.

OPERATOR agrees to inform each employee in writing as to the above details and to obtain a signed acknowledgment by employee of such notification.

- G. Employee Eligibility Verification. OPERATOR warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirement set forth in Federal statutes and regulations. OPERATOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. OPERATOR shall retain all such documentation for all covered employees for the period prescribed by the law.

OPERATOR shall indemnify, defend with counsel approved in writing by COUNTY, and hold harmless COUNTY, its agents, officers, and employees from employer sanctions and any other

liability which may be assessed against OPERATOR or COUNTY or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.



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- H. Operation Manual. OPERATOR shall submit an Operation Manual to Airport Director for approval prior to the effective date of this Agreement. Said Operation Manual and the operating procedures contained therein are hereby incorporated into and included as part of this Agreement.

The Operation Manual shall specify the operating and maintenance procedures to be followed by OPERATOR for Public Facilities parking, including employee parking, and Valet Parking, including car wash and detail. It shall also include procedures for receipt, reconciliation, deposit of receipts, a daily sales audit function, documentation for exception-based transactions, and immediate notification to the Airport of any vehicle parked over 30 days. Any changes or revisions of the Operation Manual shall be submitted in writing for prior approval by Airport Director. OPERATOR hereby agrees to operate Parking Facilities and Valet Parking including car wash and detail in compliance with the provisions of said

Operation Manual, including the requirement that OPERATOR shall accept all forms of payment approved by Airport Director, i.e., cash, credit or checks, and shall neither encourage nor discourage use of one over another. Two copies of the current approved Manual shall be provided to the Airport during the term of this Agreement.

- I. Employee Honesty. OPERATOR shall take every precaution to protect COUNTY's money, and to insure that all sums due and owing to COUNTY from patrons of the Parking Facilities and Valet Parking are properly assessed, collected and accounted for and deposited daily into a depository selected and approved by Auditor-Controller. OPERATOR shall not knowingly employ or keep in its employ any employee in connection with the work hereunder who has been convicted in a court of competent jurisdiction of theft or misappropriation of funds.
- J. Office Supplies and Equipment. OPERATOR shall furnish, at OPERATOR's expense, all necessary office supplies and equipment including: automatic coin counting equipment, dollar bill counter, parking tickets, telephones and uniforms for operating personnel. Said parking tickets shall be compatible with County-provided parking equipment. Tickets shall be numbered consecutively with the numbers guaranteed by the printer and shall be marked to identify the lot for which the ticket was dispensed.
- K. Monthly Employee Parking Access Cards. OPERATOR shall sell monthly employee parking access cards on behalf of COUNTY. OPERATOR shall pay the monthly employee parking fee for its employees' vehicles parked in the employee parking lot or other designated employee parking locations on the Airport. OPERATOR's employees shall not park personal vehicles in the Operating Area; however, a manager's parking space may be designated.
- L. Daily Inventory. OPERATOR shall take a daily physical layover inventory and a daily license plate inventory of all parking lots (excluding employee parking areas) with a County-provided computerized license plate inventory system. OPERATOR shall report vehicles that have



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stayed 30 days or longer. In the event OPERATOR fails to report an extended stay vehicle on or by the 30th day, OPERATOR shall assume financial responsibility for lost gross receipts resulting from towed vehicles as provided in Section 4.05 (GROSS RECEIPTS), Subsection I.

- M. Dead Battery Service. OPERATOR shall provide cables and other portable equipment necessary to jump start patrons' vehicles in the Parking Facilities twenty-four hours per day, seven days per week.
- N. Reports. OPERATOR shall submit to Airport Director or designee daily, weekly, and monthly reports for results from operation of the Parking Facilities on report forms, which shall be provided by OPERATOR or Airport, at Airport's sole discretion. Report forms may be modified at any time by Airport Director or designee.

Any and all daily reports shall be submitted by noon of the next business day. Weekly reports shall be submitted by noon of the last business day of the following week. Monthly reports shall be submitted by the 15th business day of each month. Submission schedules may be adjusted at the sole discretion of COUNTY.

OPERATOR shall supply Airport with such other financial or statistical reports concerning management and operation of the Parking Facilities as Airport Director or designee may reasonably request from time to time during the operating term of this Agreement.

Failure to provide accurate and complete reports within the time frame required may result in a fee deduction as specified in Section 5.06 (DEDUCTIONS FROM FEES).

Required reports for Parking Facilities Operation are as follows:

- 1) Daily Cashier Shift Reports including:
 - a. Total amount of revenue collected by cashier broken down by tender type (cash, credit card, check, etc.).
 - b. Total transaction count broken down by tender type (cash, credit card, check, non-revenue, etc.).
 - c. Number of tickets collected.
 - d. Cash drops, shortages, and overages.
 - e. Number of missing tickets.
 - f. Number of and value of exception tickets processed showing the name of the cashier and supervisor approving the exception.
- 2) Daily Ticket and Passage Exception Reconciliation including:
 - a. Beginning and ending daily vehicle inventory count
 - b. Number of parking entries and exits.
 - c. Reconciliation of nightly physical inventory against entries and exits



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- d. Number of daily passage exception (control center manual open)
- 3) Daily Parking Revenue Deposit Report including location totals broken down by tender type.
- 4) Weekly Work Schedules
- 5) Monthly Employee Rosters (including all new hires and terminations).
- 6) Monthly Activity Report (reconciled to daily reports) including:
 - a. Parking entries and exits
 - b. Revenues collected broken down by tender type
 - c. Average revenue per ticket.
- 7) Monthly Employee Parking Report including:
 - a. Balances maintained by airport tenants and non-County of Orange employers.
 - b. Revenue collected from employee parking lot access cards and amounts refunded for returned access cards.
 - c. Number of employee parking lot access cards issued and returned.
- 8) Weekly Maintenance/Safety Report including a log of safety and maintenance remediation based on a daily inspection of the Operating Area for Parking Facilities and Valet Parking for the presence of dangerous conditions or defects including but not limited to the following: accumulations of grease or oil on the pavement, potholes, dangerous grade changes, broken glass, protruding rebar or pipes, damaged concrete tire guards, vehicles leaking gas or oil, lighting fixtures not working properly, trip hazards, missing fire extinguishers and any items that may damage vehicle tires. OPERATOR shall immediately notify COUNTY of any dangerous conditions.

OPERATOR shall submit to Airport Director or designee reports from operation of Valet Parking and car wash and detail on report forms which shall be provided by OPERATOR or Airport, at Airport's sole discretion. The following reports shall be submitted on or before the fifteenth (15th) day following the end of the month:

- 1) Customer and Valet-Parked Vehicle Statistics. OPERATOR shall submit to Airport Operations a report which includes a daily count of all vehicles parked in the Valet Parking area.
- 2) Vehicle Inventory. OPERATOR shall take daily inventory of all valet-parked vehicles.
- 3) Customer Complaints. OPERATOR shall submit a report to Airport Operations summarizing service complaints, property damage complaints or any other complaints received during the preceding month as well as the resolution, if known, of such matters.



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- O. Lost Tickets. A "lost ticket" is a parking ticket which cannot be located by a patron. OPERATOR shall verify with daily inventory sheets the number of days the lost ticket vehicle has remained in the parking lot. OPERATOR shall utilize an exception ticket and patron shall then be charged the daily fee for that lot times the number of days the vehicle was in said lot. Tickets that cannot be accounted for by OPERATOR shall not be considered lost tickets. Incorrectly calculated amounts due from lost tickets, or lost ticket transactions processed without supporting information as required by the approved Operation Manual, are subject to a deduction from fee payment as specified in Section 5.06 (DEDUCTIONS FROM FEES).
- P. Missing Tickets. A "missing ticket" is a parking ticket which cannot be located by OPERATOR to agree with a sequence number as recorded by the parking access revenue control system for any exit transaction. Any exception ticket that is processed without supporting information as required by the approved Operation Manual is subject to a deduction from fee payment as specified in Section 5.06.
- Q. Timekeeping Equipment. OPERATOR shall utilize a contemporary electronic timekeeping system as a means to track employee hours worked. Such timekeeping system shall have the ability to record time worked by employees, billable and non-billable time, as well as the positions (cost centers) they fulfilled, at a minimum utilizing unique cost centers for the compensable positions identified in Section 4.01 (FEES PAID TO OPERATOR), Subsection A. Time for employees providing relief for any compensable position must be recorded in a separate unique cost center. All time recorded by employees shall be approved by their respective supervisor at the close of OPERATOR's payroll period and such approval recorded in the timekeeping system. Any time billed to COUNTY in violation of requirements of this subsection may be classified as unsubstantiated or unauthorized and is subject to full deduction from fees paid to OPERATOR.
- R. Vehicles. OPERATOR shall provide and maintain, at its expense and in good working condition, a minimum of three service vehicles approved by the Airport, equipped with a two-way radio and a roof-mount light bar to be operated by OPERATOR's employees. Said vehicles shall be, and at all times remain, the property of OPERATOR and shall be used solely for management of the Parking Facilities. Additionally, each of said vehicles shall possess identical color schemes and markings; the company name in a minimum 4" type style and size; and a company identification number, so as to be readily identifiable as belonging to OPERATOR. Each vehicle shall be properly maintained by OPERATOR and shall have no visible body damage at any time. COUNTY reserves the right to affix transponders or similar device to each of OPERATOR's vehicles to monitor traffic circulation. COUNTY may, at Airport Director's discretion, charge OPERATOR's security deposit to cover the cost of any lost, damaged or stolen device.



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- S. Ticket Issuing Machines. OPERATOR shall monitor and conduct periodic checks to ensure that the ticketing issuing machines located inside the Parking Facilities are fully stocked with tickets in accordance with the type required for use with the Airport's revenue control equipment, and shall replenish the ticket supply when necessary. OPERATOR shall immediately report to the Airport Facilities Division Service Desk if OPERATOR knows or reasonably should know that any of the ticketing issuing machines is in need of service, repair, or replacement.

OPERATOR shall be responsible for providing Valet Parking tickets which are: (1) distinguishable from other Airport parking tickets; (2) compatible with Airport's revenue control equipment; and (3) acceptable to Airport Director. Tickets shall clearly show accurate date and time of issue.

OPERATOR shall not be paid for vehicles parked when Valet Parking transactions are registered or accounted for on non-conforming Valet Parking tickets. All disputes regarding number of vehicles parked and payment due OPERATOR shall be resolved by Airport Director.

OPERATOR shall pay the cost of the ticket supply and receipt paper stock for the Parking Facilities and Valet Parking. Upon request, a list of approved suppliers shall be provided to OPERATOR by COUNTY.

- T. Exit Gates. OPERATOR shall monitor and conduct periodic checks to ensure that the parking entrance and exit gates and other structural components for the Parking Facilities are fully operational. OPERATOR shall immediately replace broken exit gate arms at OPERATOR's sole expense. OPERATOR shall report to the Airport Facilities Division Service Desk if OPERATOR knows or reasonably should know that any of the exit gates is in need of additional service or repair.
- U. Parking Access Revenue Control System. OPERATOR shall immediately report to Airport Facilities Division Service Desk if OPERATOR knows or reasonably should know that any of the parking access revenue control equipment, including cash registers, is in need of service, repair or replacement.

OPERATOR accepts the revenue control equipment COUNTY has provided in "as is" condition. OPERATOR, at its sole cost, is responsible to train employees to use the equipment in accordance with the manual provided by the equipment manufacturer. OPERATOR shall not tamper with, alter or disable revenue controls on Airport-owned revenue control system. It is OPERATOR's responsibility to establish and maintain a sufficient internal control system to ensure proper recording and reporting of Gross Receipts, to reconcile daily reports and cashier report discrepancies and to investigate issues with the revenue control equipment.



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OPERATOR shall regularly clean/dust components of the revenue control equipment in accordance with the equipment manufacturer's manual and change batteries on hand held devices as needed. Should a component fail in the course of operations, OPERATOR shall first attempt to rectify the issue as trained using preventive maintenance techniques before reporting the issue to COUNTY. Issues will either be reported as catastrophic, i.e. a total system failure, or non-emergency events. Issues classified as non-emergency will be repaired by COUNTY's revenue control service provider within the next business day. OPERATOR shall be responsible to pay costs incurred by COUNTY, including but not limited to service calls, due to OPERATOR's failure to perform preventive maintenance tasks in the prescribed frequency and manner described, and clear equipment issues as trained. COUNTY shall seek to be made whole by failure of employees to operate or care for the revenue control equipment according to the instructions provided by the manufacturer, which may result in a deduction from OPERATOR's fee upon written notice from COUNTY.

V. Parking Access Cards. OPERATOR will issue a parking access card for each authorized support vehicle belonging to OPERATOR for entering and exiting the Parking Facilities and Valet Parking areas. OPERATOR shall be responsible for securing cards assigned to its personnel. Penalties apply, as defined in Section 5.08 (DEDUCTIONS FROM FEE PAYMENTS) resulting from loss of cards.

W. Valet Operation.

- 1) Operation Plan and Rates. OPERATOR's plan shall be as proposed by OPERATOR and approved by Airport Director. Rates shall be as set forth in Section 4.06. Daily rates for valet parking shall be conspicuously displayed at the Vehicle Drop-Off and Pick-Up Area along with printed brochures of car wash services offered, to the satisfaction of Airport Director. OPERATOR shall readily produce such price list. During the Agreement term, OPERATOR shall not make changes to the operation plan or prices of any service or product without first obtaining the prior written approval of Airport Director.
- 2) Full Service Eco-friendly Car Wash. OPERATOR shall maintain and operate, either directly or by subcontract, a full service waterless car wash and detail offered to valet parking customers at an additional charge. The car wash operation is to be conducted in accordance with the terms and conditions contained in this Agreement, including compliance with all regulations set by the Airport and any federal, state or local government authority. Plans for the car wash service must be approved by Airport Director prior to commencing operations, including the equipment and products to be used in the method and amounts as set forth by Airport Director throughout the term of this Agreement.



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OPERATOR shall keep the car wash area clean, and secure all equipment and cleaning products when not in use. Washing and auto detailing shall be conducted in a professional manner, and confined to the area designated for such activities. A flameproof container shall be implemented to store used towels. Trash, in addition to the used towels, shall be emptied daily by OPERATOR. Liquids and dirty rags must be kept off the floor of the car wash area. In order to comply with Airport procedures prohibiting any liquids from entering the Airport's storm drains, OPERATOR shall protect the surface of the car wash area to COUNTY's satisfaction by installing and maintaining a liquid containment mat to protect the floor and prevent spills from reaching storm drains. Such mats and/or other devices shall be replaced as necessary or upon COUNTY's request.

- 3) Customer Service. Upon request, OPERATOR shall provide customers with assistance in transporting their luggage between the Vehicle Drop-Off and Pick-Up Area and the Terminal. OPERATOR's service shall include but is not limited to, the removal and loading of luggage from customers' vehicles, loading luggage onto a wheeled luggage cart and escorting customers to the Skycap podium or Terminal. OPERATOR shall maintain sufficient staff to ensure that valet parking patrons shall wait no more than ten (10) minutes for their vehicle once payment has been made. OPERATOR shall provide customer vehicle recovery service on a twenty-four (24) hour basis.

OPERATOR shall be required to resolve all written and oral complaints received from the public or COUNTY to the satisfaction of Airport Director. OPERATOR shall take all necessary steps to address such complaints and shall respond in writing to the Airport Director and person filing the complaint within 48 hours of receipt by OPERATOR. OPERATOR's response shall include any actions taken by OPERATOR to resolve the complaint.

- 4) Valet Parking Service Schedule. OPERATOR and Airport Director shall establish a schedule for the Valet Parking Service. OPERATOR shall monitor employees to assure adherence to the schedule approved by Airport Director. Airport Director shall notify OPERATOR prior to 11:00 p.m. if any flights destined for the Airport are diverted to other airports, and OPERATOR shall retain an adequate number of attendants on duty 30 minutes beyond the actual arrival of those valet parking patrons to the Airport whose flights were diverted.
- 5) Vehicle Drop-Off and Pick-Up Area. The Vehicle Drop-Off and Pick-Up Area are to be kept neat and clean at all times. OPERATOR may provide a podium, high stool and anchored or weighted umbrella subject to prior approval by the Airport. Trash cans or folding chairs are not to be utilized in this area, and upon request, OPERATOR shall immediately remove equipment being stored in this area, or replace equipment that is broken, faded or otherwise in disrepair.



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Until a vehicle is moved from this area to the valet parking storage area, its trunk must be left open for random inspection by TSA or Airport Operations staff.

OPERATOR agrees to cooperate with Airport Operations, Airport Police Services, and TSA to eliminate any obstacles caused by valet parking service that are impacting traffic flow on the Airport premises. In order to expedite response to and resolution of traffic issues, OPERATOR will establish and maintain a base communications station in the valet parking office and require supervisors to carry two-way radios and/or cell phones.

- 6) Credit and Debit Cards. Customers shall be permitted to utilize major credit and debit cards, and at a minimum, the following credit cards in payment for all sales: Visa, MasterCard and American Express. OPERATOR shall comply with Payment Card Industry Data Security Standards (PCI DSS), and provide to COUNTY upon request as required by PCI DSS, documentation confirming OPERATOR's adherence to these standards.
- 7) Customer Keys and Vehicles. OPERATOR shall be solely responsible for all keys and vehicles left in OPERATOR's custody as part of the Valet Parking Service. OPERATOR shall maintain appropriate controls over keys and vehicles to prevent theft, damage, unauthorized use or other loss.
- 8) Signs and delineators. OPERATOR shall provide and maintain, to the COUNTY's satisfaction, all signs and delineators within the Operating Area in a clean and legible condition. Replacement of said signs or delineators, or the installation of additional signs or delineators shall be the responsibility of OPERATOR and at OPERATOR's expense. Said signs and delineators shall be of the same quality material, letter style, design and color as other similar signs and delineators on the Airport. All signs installed or replaced by OPERATOR in the Operating Area or cashier kiosks must have the prior written approval of the Airport Director.
- 9) Inspection of Operator's Service. Periodic inspections concerning the conduct, demeanor and appearance of OPERATOR's staff providing valet parking, or other approved services, shall be made by Airport Director. Results of these inspections shall be transmitted to OPERATOR and OPERATOR shall promptly correct all deficiencies noted.
- 10) Valet Parking Office and Cashier Kiosks. The Airport shall make available to OPERATOR two cashier kiosks and an office trailer. At its sole cost and expense, OPERATOR shall be responsible for making the kiosk outside terminals A/B compliant with ADA requirements. OPERATOR accepts all facilities in their "as is" condition, and shall be responsible for all maintenance and repairs including but not limited to the lights, HVAC, doors, windows, and locks. The kiosks, trailer and office shall be returned to COUNTY at the termination or expiration of this Agreement in good condition, normal wear and tear excepted. In the event OPERATOR damages these facilities during the term



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of this Agreement, the Airport shall make the necessary repairs and deduct the cost for labor and materials from OPERATOR's fee upon written notice.

Any ancillary equipment beyond what was provided by COUNTY at the commencement of the operation and which OPERATOR determines is necessary for the operation of a valet parking and car wash services, is the responsibility of the OPERATOR and shall be provided at its sole cost.

- 11) Unauthorized Locks. OPERATOR shall not place any additional lock of any kind upon any window or interior or exterior door in the Operating Area, or make any change in any existing door or window lock or the mechanism thereof, unless keys are maintained in the Operating Area and also provided to Airport Director. Upon the expiration or termination of this Agreement, OPERATOR shall surrender to Airport Director any and all keys to the interior or exterior doors in the Operating Area.

X. Terminal Communications Systems and Operations

- 1) Wireless Communications. In the interests of public safety and the efficient operation of the Airport, COUNTY reserves the sole right to resolve any conflicts between or among any wireless communication devices or systems of OPERATOR, and any third party users at the Airport, and to require OPERATOR to change over to any future Airport-wide network once installed.
- 2) Interference with Systems. OPERATOR shall not interfere with the effectiveness of utility, heating, ventilating or air-conditioning systems or portions thereof on or adjoining the Operating Area (including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto) or interfere with effectiveness of elevators or escalators in the Operating Area or Airport Premises, or overload any floor of the Airport Premises.
- 3) Smoking Prohibited. OPERATOR shall comply with COUNTY's ordinance prohibiting smoking. Smoking is prohibited at the Vehicle Drop-Off and Pick-Up areas.

Should OPERATOR default in the performance of any responsibility or requirement contained in this Section, and such default is not corrected within twenty-four (24) hours after OPERATOR receives written notice from COUNTY, COUNTY may impose a penalty of One Hundred Dollars (\$100) per day for each day OPERATOR remains in default, or COUNTY may terminate this Agreement and take over possession and operation of the Valet Parking Service.

- Y. Lost & Found. All articles found by OPERATOR or which are found by patrons and given to OPERATOR, shall be turned over to the Airport Police Services as lost and found items. OPERATOR shall have no right to reclaim said articles. Lost and found articles while in possession of OPERATOR that cannot be accounted for, will be reimbursed by OPERATOR



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to the Airport at the fair market value of the articles, as reasonably determined by the Airport, or replaced at OPERATOR's sole expense.

SECTION 5.04 UTILITIES, JANITORIAL, MAINTENANCE AND REPAIR

A. Obligations of OPERATOR. OPERATOR expressly agrees to maintain the Parking Facilities, including the Ground Transportation Center, in a safe, clean, sanitary condition, to the complete satisfaction of Airport Director, and in compliance with all applicable laws. All routine maintenance shall be conducted by OPERATOR on a regularly scheduled basis as specified below and in the maintenance schedule shown in Exhibit C, attached hereto and made a part hereof. The maintenance schedule may be modified at the reasonable discretion of Airport Director, in order to take advantage of newer, more efficient maintenance equipment, which may become available to OPERATOR. COUNTY shall have the right to enter upon and inspect the Parking Facilities at any time for cleanliness and safety.

1. OPERATOR shall pay, prior to the delinquency date, all charges for installation of data and dedicated telephone lines and all charges for telephone services associated with the operation of the Parking Facilities and Valet Parking including car wash and detail. COUNTY shall only furnish utility supply lines up to the Operating Area. It is the OPERATOR's responsibility to connect and pay for any necessary telephone and utility lines to any structures approved by COUNTY to be placed in the Operating Area.

OPERATOR expressly waives any and all claims against the COUNTY for compensation for any and all loss or damage to OPERATOR's property sustained by reason of any defect, deficiency or impairment of any water supply system, drainage or sewer system, gas supply system, telephone system, electrical supply system or electrical apparatus or wires serving the Operating Area, except to the extent caused by the COUNTY's negligence or willful misconduct.

2. OPERATOR shall inspect the Parking Facilities on a daily basis to determine if any inherently or potentially dangerous conditions or defects exist. The inspection shall include, but not be limited to, the following: accumulations of grease or oil on the pavement, potholes, dangerous grade changes, broken glass, protruding rebar, broken tire guards, protruding pipes, leaking as tanks, broken or burned out lighting fixtures, broken or missing fire extinguishers, trip spots, hazards to tires, and other unsafe conditions. The results of each daily inspection shall be submitted in writing by means of a copy of a signed checklist on a weekly basis directed to Airport Director or designee.
3. OPERATOR shall be responsible for routine maintenance as set forth in Exhibit C "Minimum Maintenance Requirements" including but not limited to:
 - a) Daily hand sweeping around cashier booths; remove loose debris on parking surfaces in parking structures, Main Street Lot and employee lot.



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- b) Daily machine sweeping of commercial vehicle and cell phone lots. Each parking facility surface (for both parking structures and parking lots) shall be cleaned at least once per week.
- c) Daily emptying of trash and recyclables containers or more often as needed.
- d) Providing daily janitorial services and supplies to operating public and employee restrooms in parking structure A2 and B2, Level 1 and the Main Street Parking Lot, including but not limited to, emptying waste containers, cleaning floors and fixtures, unclogging plumbing, replacement of light bulbs and fluorescent tubes, and replacement of restroom expendables, i.e., toilet tissue, paper towels, seat covers, and hand soap.
- e) Daily hand sweeping or mopping cashier booth floors, weekly cleaning cashier booth windows and wiping down interior cashier booth equipment.
- f) Daily hand sweeping or mopping parking office floors; weekly cleaning of parking office interior and exterior windows; semi-annual cleaning of carpets.
- g) Daily hand sweeping stairwells and debris removal, weekly damp wiping handrails, monthly cleaning exterior parking structure windows and interior accessible windows.
- h) Daily spot cleaning excess oil, stains or other accumulations, weekly spot steam cleaning all parking structures, monthly steam cleaning elevator lobby areas, entrance and exit lanes, semi-annually power cleaning all concrete surfaces in Parking Facilities (including GTC and GTC islands).
- i) Weekly dust wiping parking control equipment.
- j) Weekly wiping down shuttle shelter benches in the operating areas, weekly cleaning shelter windows; monthly steam cleaning shelters and surrounding areas (monthly or more often as needed).
- k) Keeping the Parking Facilities, including stairwells, free from rubbish, gum, litter, and animal or human waste. In the event animal or human waste is present, OPERATOR shall power clean and sanitize the affected areas as needed.
- l) Checking ceiling-mounted signage for loose connections or damage, and reporting same to Airport Director.
- m) Checking illuminated signage for damage and necessary bulb replacement, and reporting same to Airport Director.
- n) Checking parking and revenue control equipment for proper operation.



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- o) Submittal of a weekly inspection form listing any items that are found deficient through inspections.
 - p) Monthly steam cleaning of car wash area.
4. OPERATOR shall submit a detailed schedule for cleaning services described in this Section for approval by Airport Director. OPERATOR shall not deviate from the approved schedule without permission from Airport Director. Failure to complete cleaning tasks per the schedule may result in a reduction to the monthly invoice total at the discretion of Airport Director.
5. Except for the valet drop-off and pick-up areas, OPERATOR shall provide approved trash containers and shall be responsible for daily trash collection and removal from the Operating Area. OPERATOR shall provide two trash containers (including liners) for each location (one for recyclables and one for regular trash) and ash trays as shown on Exhibit D (MINIMUM REQUIREMENTS FOR TRASH, ASH TRAY & RECYCLING RECEPTACLES), and shall provide for daily removal of trash, recyclables, and smoking related refuse from the Parking Facilities, including the employee lot. All receptacles in the open shall have lids which shall be closed, when not in use.
6. OPERATOR shall be responsible for performing the following maintenance on an annual basis at a minimum, and additionally as may be required by Airport Director:
- a) Cleaning the parking areas of all Parking Facilities using a commercial scrubber or steam cleaning machine, subject to applicable water quality regulations and procedures approved by Airport Director.
 - b) Spot steam cleaning the concrete surfaces of all parking structures including the GTC.
 - c) Damp wiping all overhead piping, including sprinkler systems, and electrical conduit pipe. (Damp wiping to be scheduled with Airport Director.)
 - d) Reapplication of a protective sealant to the floor of the car wash area.
7. OPERATOR shall submit a monthly or weekly plan to Airport Director detailing how sections of the Parking Structures will be isolated for annual steam cleaning and/or commercial scrubbing and then placed back into service without affecting parking operations. OPERATOR shall be responsible for covering and protecting vehicles during cleaning operations.
8. OPERATOR shall keep an updated parking floor layout of the areas where the annual steam cleaning and scrubbing has occurred, which shall be subject to periodic review by Airport Director.



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9. OPERATOR shall keep and maintain, to COUNTY's satisfaction, all parking rate signs, parking status signs, and graphics in a clean, legible condition and free from graffiti. Any replacement of parking rate signs or additional parking rate signs shall be provided by OPERATOR at OPEATOR's expense and shall be of the same quality material, letter style, design and color as other similar signs within the facility. All signs placed by OPERATOR in the Parking Facilities, attendant booths, or Parking Manager's office must have the prior written approval of Airport Director.
10. OPERATOR shall not allow any discharge of wash water or other Non Storm Water Discharges into the storm drains. OPERATOR's manager, supervisors and maintenance and car wash personnel shall attend an annual non-storm water discharge prevention class conducted by COUNTY.
11. OPERATOR shall immediately notify the Airport Police Services Control Center of any fire, emergency, accident or reportable spill or release of fuel or Hazardous Substances. Reportable spills or releases are those that require notification to a government entity by any fire code or Environmental law as defined herein. Article VI.

B. Obligations of COUNTY. COUNTY assumes the following duties:

1. Furnish, at COUNTY's expense, water and electricity for the Parking Facilities and Valet Parking.
2. Maintain paving and parking lot surfaces, including the painting and striping of the lots and structures; overhead lighting fixtures, including lamps; parking lot fencing, including perimeter fencing and all landscaping; and parking lot identification signs, illuminated or otherwise, excluding parking rate signs and parking status signs which shall be provided by OPERATOR as required in Section 4.04 (PARKING RATES AND SIGNAGE).
3. Provide and maintain the necessary entrance and exit gate equipment, including ticket dispensers, gates (excluding gate arms), fee computers and indicators in all parking lots and structures. OPERATOR shall cooperate with COUNTY in every way to ensure continuous operation of all entrance and exit equipment.
4. Provide and maintain mounted fire extinguishers.
5. Inspect, maintain and repair elevator equipment in the Parking Facilities.
6. Provide employee card keys, badges or passes and determine standard for issuance of monthly employee parking access cards to be sold by OPERATOR.



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SECTION 5.05 COUNTY'S RIGHT TO MAKE INVOICE DEDUCTIONS OR TO ASSUME MAINTENANCE

If OPERATOR fails to maintain or make repairs or replacements as required in Section 5.04 above, Airport Director shall notify OPERATOR in writing of said failure. Should OPERATOR fail to correct the situation within three (3) days after receipt of written notice, Airport Director may make the necessary correction or cause it to be made and the cost thereof, including but not limited to the cost of labor, materials, equipment, and an administrative fee equal to fifteen percent (15%) of the sum of the items, shall be paid by OPERATOR by means of a deduction from the monthly compensation due OPERATOR.

In the event OPERATOR is consistently unwilling or unable to meet certain maintenance standards as set forth in Section 5.04 (UTILITIES, JANITORIAL, MAINTENANCE AND REPAIR), and as further specified in the maintenance schedule as shown in Exhibit C, Airport Director, at Airport Director's reasonable and sole discretion, reserves the right to permanently assume the maintenance duties, and to deduct the ongoing cost of said maintenance duties from monthly compensation due OPERATOR.

SECTION 5.06 DEDUCTIONS FROM FEES

In addition to the penalties and deductions set forth elsewhere in this Agreement, upon review of a monthly invoice, COUNTY reserves the right to deduct fees from OPERATOR's monthly payment under any of the conditions listed below:

1. \$25 will be deducted for each exception transaction processed by a cashier incorrectly, in addition to the underpayment amount, including but not limited to failing to obtain required information for any discount or waiver granted, processing a validation without a validation stamp, and incorrectly calculating the amount due for a lost ticket.
2. \$25 will be deducted for each missing ticket not accounted for by cashiers at the close of their shift.
3. \$25 will be deducted for each employee parking pass, proximity card, and parking access card that is unaccounted for.
4. \$500 will be deducted for an exit gate cashier, exit plaza supervisor or shift supervisor that is not on duty as specified in the approved work schedule.
5. \$100 will be deducted for each broken gate arm that is not replaced within one hour and for each ticket issuing machine found to be out of tickets that is not restocked within one hour.



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6. \$100 will be deducted for failure to complete and submit the nightly license plate inventory at a rate of \$100 per parking structure or lot per night. \$25 will be deducted for each occurrence wherein a license plate was incorrectly input into the LPI system.
7. Unsupported billable service hours will be deducted at three times the amount of the unsupported service hour billed to the Airport.
8. An initial warning shall be issued to OPERATOR in writing for any occurrence wherein OPERATOR fails to comply with any of its obligations under this Agreement for which no other deduction from fee payments is specified. Upon continued or recurring non-compliance, \$25 to \$100, amount to be selected at Airport Director's sole discretion, will be deducted for each day or occurrence that OPERATOR fails to comply thereafter.

ARTICLE VI

ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION

SECTION 6.01 HAZARDOUS SUBSTANCES AND ENVIRONMENTAL COMPLIANCE

As used herein, the term "Hazardous Substances" shall mean any hazardous or toxic substance, material or waste which is or shall become regulated by any governmental entity, including but not limited to COUNTY acting in its governmental capacity, the State of California or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "Hazardous Substance" or considered a waste, condition of pollution or nuisance under any Environmental Law; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos or asbestos-containing materials; (iv) flammable or explosive substances; (v) mold, mold spores or fractions thereof; and/or (vi) substances designated by any governmental entity to cause cancer and/or reproductive toxicity.

As used herein, the term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, code, judgment, order or regulation pertaining to the environment, Hazardous Substances, occupational safety and health, industrial hygiene or the environmental conditions on, under or about the Airport, and includes, without limitation the following; (i) the CLEAN AIR ACT, 42 USCA §§ 7401, et seq.; (ii) CLEAN WATER ACT, 33 USCA §§ 1251, et seq.; (iii) the COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, as amended by the SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1986 ("CERCLA"), 42 U.S.C. §§9601 et seq.; (iv) 49 CFR, Sections 173.5 (Transportation of Hazardous Materials) (v) the SOLID WASTE DISPOSAL ACT, as amended by the RESOURCE CONSERVATION AND RECOVERY ACT OF 1986 and HAZARDOUS and SOLID WASTE amendments of 1984 ("RCRA"), 42 U.S.C. §§6901, et seq.; (vi) the OIL POLLUTION ACT of 1990, 33 USCA §§ 2701, et seq. (vii) the FEDERAL WATER POLLUTION CONTROL ACT, 33 U.S.C. §§1317, et seq.; (viii) the SAFE DRINKING WATER



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AND TOXIC ENFORCEMENT ACT OF 1986, CALIFORNIA HEALTH AND SAFETY CODE §§25249.5 et seq.; (ix) the CALIFORNIA HEALTH AND SAFETY CODE §§25100, 25395.7, 25915, et seq.; (x) the CALIFORNIA WATER CODE §§1300, et seq.; (xi) the CALIFORNIA CIVIL CODE §§3479, et seq.; (xii) Storm Water Discharge Rules, 40 C.F.R. §§ 122.26, 122.30-37; (xiii) All other state laws, rules, orders, directives, and codes, regulations judgments, and orders relating to (i) emissions, discharges, releases, or threatened releases of Hazardous

Substances into the environment (including but not limited to ambient air, surface water, groundwater, land surface or subsurface strata); and (ii) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of Hazardous Substances, as such laws are amended, and the regulations and administrative codes applicable thereto.

OPERATOR shall comply with all Environmental Laws and shall not engage in any activity on or about the Airport that violates any Environmental Law. In conducting its operation and maintenance on the Airport under this Agreement, OPERATOR shall comply with such regulations regarding the storage, distribution, processing, handling and/or disposal, including the storm water discharge requirements, of Hazardous Substances whether the obligation for such compliance is placed on the owner of the land, owner of the improvements or user of the improvements.

OPERATOR agrees to remediate, at its sole cost, all Hazardous Substance contamination on the Operating Area that is found to have occurred as a result of OPERATOR's operation and/or maintenance of the Operating Area.

SECTION 6.02 STORMWATER POLLUTION PREVENTION

The Airport's National Pollutant Discharge Elimination System (NPDES) permit does not allow for any discharge into the storm drain system. OPERATOR agrees to prevent any discharges to the storm drain system. Discharge of water, cleaning products, wash-water, oily water, or any other substance that is not entirely composed of rain water into the storm drain system prohibited. Wash-water generated from cleaning activities must be contained and disposed properly by OPERATOR. Arrangements may be made to discharge waste wash-water into COUNTY sanitary sewer via the lavatory waste ("Biffy") dump, at the discretion of Airport Director. All other discharges must be taken off site for proper treatment and disposal/recycling. Temporary on site storage of fluids may be allowed in tanks or by using other methods to be approved by Airport Director or designee.

Before the start of work, the OPERATOR shall show in writing what cleaning equipment will be used, how wash-water and other runoff will be contained, and zero discharge will be maintained. Dumping into the storm drain system is strictly prohibited. OPERATOR shall review these environmental policies with all site personnel.



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SECTION 6.03 ENVIRONMENTAL INDEMNIFICATION

To the fullest extent authorized by law, the OPERATOR shall indemnify, defend, and hold harmless the COUNTY, its officers, and employees, from and against any and all Environmental Law claims, judgments, damages, penalties, fines, costs, liabilities, losses, orders, and lawsuits arising out of any actions by the OPERATOR, the OPERATOR's operations at the Airport or any action arising from and which involve the OPERATOR's officers, agents, subcontractors, and

employees, including the cost of defense arising therefrom, including but not limited to the following:

1. The OPERATOR's placing, disposing, allowing or releasing of Hazardous Substances upon or within the Airport including any such claims, demands, liabilities and/or obligations related to OPERATOR's release of Hazardous Substances on the Airport since the time OPERATOR first occupied the Airport.
2. The OPERATOR's violation of any Environmental Law, except that OPERATOR's obligations under this paragraph shall not extend to known conditions that are, as of the date of this Agreement, the subject of investigation and remediation by COUNTY or others, or remediation conditions that arise from operations of third parties that are not affiliated with OPERATOR that take place off of the Airport. A party shall be deemed to be affiliated with OPERATOR if it is an employee, officer, director, agent, subtenant, contractor or subcontractor of OPERATOR or if it is controlled by or under common control with OPERATOR.
3. The OPERATOR's causing or allowing any discharge into the Airport Drainage System that is prohibited by Article VI of this Agreement.

This indemnification includes, without limitation, reasonable attorney's fees/costs and other costs incurred by COUNTY in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Federal, State or local governmental entity because of any Hazardous Substances being present in the soil or groundwater under the Airport. However, OPERATOR's indemnity obligation shall not apply in the event of any claims for any loss, damage or expense arising from the sole or active negligence or willful misconduct of COUNTY or agents, servants or independent contractors who are directly responsible to COUNTY.

In the event the indemnitees described hereinabove are named as defendants or respondents or respondents in any lawsuit or administrative proceeding, the OPERATOR shall, at the request of the COUNTY, represent the indemnitee with qualified counsel that the COUNTY determines, in its sole and exclusive discretion, is acceptable to the COUNTY, unless the COUNTY, at its sole and exclusive discretion, undertakes legal representation, in which event the OPERATOR shall reimburse the COUNTY for the reasonable costs incurred by it in defending such lawsuit or



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administrative proceeding, including reasonable attorney's fees, expert and consultant's fees, and investigative and court costs.

In the event that a monetary judgment is awarded against the COUNTY and the OPERATOR because of the concurrent negligence of the COUNTY and the OPERATOR or their respective officers, subcontractors, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Both the COUNTY and the OPERATOR agree that neither party shall request a jury apportionment. Nothing stated in this Agreement and in this indemnity obligation shall be construed as authorizing any award of attorney's fees in any action to enforce the terms of this Agreement.

The rights and obligations set forth in this indemnification shall survive the termination of this Agreement.

SECTION 6.04 CONFLICT WITH ENVIRONMENTAL LAW PROVISIONS

In the event that any of the terms of these environmental requirements codified in this Article conflict with any other terms of this Agreement, the Environmental requirements contained in Article VI shall apply.

ARTICLE VII

CONSTRUCTION AND IMPROVEMENTS

SECTION 7.01 CONSTRUCTION AND/OR ALTERATION BY COUNTY

The COUNTY may alter, repair, maintain, remodel, expand, remove or improve any of the facilities at the Airport or any of its appurtenances, including but not limited to, OPERATOR's Operating Area.

In addition, upon 30 days' written notice by Airport Director, the COUNTY may reassign or relocate OPERATOR's Operating Area. COUNTY shall provide OPERATOR advance notice of such action and shall make available alternative space that is reasonably comparable for OPERATOR's operations.

SECTION 7.02 CONSTRUCTION AND/OR ALTERATION BY OPERATOR

OPERATOR shall not perform any construction upon the Operating Area nor shall OPERATOR modify, alter or remove any permanent improvements lying within the Operating Area without prior written approval of Airport Director. Any construction, modifications, alterations or removal of any permanent improvements by OPERATOR shall be at OPERATOR's expense.

- A. Design and Construction. OPERATOR shall cause to be designed, constructed and installed within the Operating Area, at no cost to COUNTY, improvements and equipment necessary to accommodate those services and uses, both required and any other optional services and uses



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approved pursuant to the Section in this Agreement entitled "USE." OPERATOR shall be responsible for making the kiosk outside terminals A/B compliant with ADA requirements.

- B. Compliance with Plans and Construction Standards.** Design and construction shall conform with the plans, specifications and installation schedule approved by the Airport Director prior to installation. All construction must follow the Tenant Guidelines for John Wayne Airport.
- C. Consent Required from COUNTY.** No structures, improvements, or facilities shall be constructed, erected, altered, removed or made with the Operating Area without prior written consent of COUNTY, which consent may be withheld or conditioned in COUNTY's discretion. Minor repairs, replacement and maintenance proposed for the Operating Area, the cost of which does not exceed one hundred seventy-five thousand dollars (\$175,000) annually, shall be approved by Airport Director. All other structures, improvements, facilities, repairs, replacement, removal and maintenance items shall be approved by the Board of Supervisors.
- D. Insurance Requirements.** OPERATOR shall obtain comprehensive public liability insurance during construction. If the construction is done by an independent contractor, insurance shall be procured by the contractor in the name of the OPERATOR and the COUNTY. All insurance shall be in the limits and coverages acceptable to COUNTY's Risk Management Services.
- E. Indemnification during Construction.** To the fullest extent authorized by law, OPERATOR shall indemnify, defend and hold harmless the COUNTY, its officers, and employees, from and against any and all claims, judgments, damages, penalties, fines, costs, orders, and lawsuits, arising out of OPERATOR's construction or alteration of the Operating Area, including the cost of defense arising therefrom. OPERATOR's indemnity obligations stated hereinabove also apply to those actions arising from and which involve OPERATOR's offices, agents, subcontractors and employees.
- F. Noninterference.** OPERATOR warrants that it or its contractor shall in no way delay, cause delays to or interfere with any Airport operation or other contractors working in the terminal or on the Airport. OPERATOR agrees to hold COUNTY harmless from the cost of any time lost by COUNTY or any damages to COUNTY due to the actions or failure to act of OPERATOR or its contractor.
- G. OPERATOR's Cost and Expense.** All renovation or construction by OPERATOR pursuant to this section shall be at OPERATOR's sole cost and expense. OPERATOR shall keep the Operating Area and the improvements constructed thereon free and clear of all liens and shall pay all costs for labor and materials arising out of such construction and shall hold COUNTY harmless from any liability with respect thereto. OPERATOR shall have the right to contest any and all liens filed against the Operating Area. OPERATOR further agrees that COUNTY shall have the right to post notices of non-responsibility as provided by Sections 3094 and 3129 of the Civil Code of the State of California.



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H. Ownership of Improvements. All improvements and facilities, exclusive of trade fixtures, constructed or placed within the Operating Area by OPERATOR must, upon completion, be free and clear of all liens, claims, or liability for labor or material and at COUNTY's option shall become the property of COUNTY at the expiration of this Agreement or upon earlier termination hereof. COUNTY retains the right to require OPERATOR, at OPERATOR's cost, to remove any or all improvements located within the Operating Area at the expiration or termination hereof.

SECTION 7.03 MECHANICS LIENS OR STOP NOTICES

OPERATOR shall at all times indemnify and hold COUNTY harmless from all Mechanics Liens, Stop Notices, claims, losses, demands, damages, cost, expenses or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Operating Area undertaken by OPERATOR, and from the cost of defending against such claims, including attorneys' fees and costs.

In the event a mechanics lien or stop notice is imposed upon the Operating Area, OPERATOR shall either:

1. Record a valid Release of Lien, or
2. Procure and record a bond in accordance with Section 3143 of the CALIFORNIA CIVIL CODE, which frees the Operating Area from the claim of the lien or stop-notice and from any action brought to foreclose the lien.

Should OPERATOR fail to accomplish either of the two optional actions above within fifteen (15) days after the filing of such a lien or stop notice, the Agreement shall be in default and shall be subject to immediate termination.

SECTION 7.04 DAMAGE TO OR DESTRUCTION OF IMPROVEMENTS

OPERATOR shall be responsible for any damage caused by OPERATOR, or OPERATOR's equipment, employees, agents, visitors or suppliers, to Airport facilities, including but not limited to roadways, access roads and parking spaces. Should such damage require immediate repairs or replacement and OPERATOR is unable to respond immediately to complete said repairs or replacement, Airport Director may cause to be made or make any necessary repairs or replacements and the cost thereof shall be paid by OPERATOR. Said cost shall include all labor, materials, equipment and an administrative fee equal to fifteen percent (15%) of the sum of those items. Said cost shall be paid by OPERATOR within fifteen (15) days of receipt of an invoice for costs from Airport Director.



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In the event of damage to or destruction of OPERATOR-owned or constructed buildings, facilities or improvements located within the Operating Area or in the event OPERATOR-owned or constructed buildings, facilities, or improvements located within the Operating Area are declared unsafe or unfit for use or occupancy by the COUNTY or any other public entity with jurisdiction to make and enforce such a declaration, OPERATOR shall, within thirty (30) days, commence and diligently pursue completion of the repair, replacement or reconstruction of improvements to the same size and floor area as they existed immediately prior to the event causing the damage or destruction, as necessary to permit full use and occupancy of the Operating Area for the purposes required by the Agreement.

Repair, replacement or reconstruction or improvements within the Operating Area shall be accomplished in a manner and according to plans approved by Airport Director. Except as otherwise provided herein, termination of this Agreement shall not reduce or nullify OPERATOR's obligation under this paragraph. With respect to damage or destruction to be repaired by COUNTY or which COUNTY elects to repair, OPERATOR waives and releases its rights under CALIFORNIA CIVIL CODE Sections 1932(2) and 1933(4).

ARTICLE VIII

ASSIGNMENT

SECTION 8.01 ASSIGNING AND TRANSFERRING

The provisions of this Section are subject to, and subordinate to the limitations of Article V of this Agreement entitled "USE, RULES, REGULATIONS AND OPERATION".

- A. Transfers. OPERATOR shall not transfer, assign, or hypothecate (hereinafter referred to as "Transfer") any interest of OPERATOR in the Operating Area without the prior written approval of COUNTY. OPERATOR shall give COUNTY thirty (30) days prior written notice of all proposed Transfers. OPERATOR shall not make any such Transfers for a period longer than the remaining term of the Agreement.

If COUNTY approves such Transfers, such approval does not constitute a waiver of any of the terms of the Agreement. All Transfer documents shall be consistent with the terms, covenants, and conditions of the Agreement, and in the event of any inconsistency, the provisions of this Agreement shall govern.

If OPERATOR is a corporation, an unincorporated association, or a partnership, Transfers include the acquisition by any person other than OPERATOR of any stock or interest in said corporation, unincorporated association, or partnership in the aggregate amount of fifty-one percent (51%) or more.



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The failure by OPERA TOR to obtain the prior written approval by COUNTY of any Transfer of the Agreement or any interest in the Operating Area shall constitute a material breach of this Agreement by, and shall not confer any rights upon the transferee. Such failure shall be grounds for termination of this Agreement for default per Article IX, Section 9.02 (TERMINATION FOR DEFAULT).

- B. Conditions of COUNTY Approval.** COUNTY agrees that it will not arbitrarily withhold consent to any Transfer, but COUNTY may withhold consent at its sole discretion if any of the following conditions exist:
- 1) OPERATOR, its successors or assigns are in default of any term, covenant or condition of this Agreement, whether notice of default has or has not been given by COUNTY.
 - 2) The prospective assignee or transferee has not agreed in writing to keep, perform and be bound by all the terms, covenants, and conditions of this Agreement.
 - 3) The prospective assignee or transferee is not financially capable or not experienced in performing the obligations of this Agreement, as determined by Airport Director.
 - 4) All the terms, covenants and conditions of Transfer, including the consideration therefore, of any and every kind, have not been revealed in writing to Airport Director.
 - 5) Any equipment installation required of OPERA TOR as a condition of this Agreement has not been completed to the satisfaction of COUNTY.
 - 6) OPERA TOR has not provided Airport Director with a copy of all documents relating to the Transfer.
- C. Bankruptcy Transaction.** If OPERATOR assumes this Agreement and proposes to assign the same pursuant to the provisions of the UNITED STATES BANKRUPTCY CODE, 11 U.S.C. §§ 101, *et seq.*, then notice of such proposed assignment shall be given to COUNTY.
- 1) The name and address of proposed assignee,
 - 2) All of the terms and conditions of such offer, and
 - 3) Adequate assurance to COUNTY of the proposed assignee's future performance under the Agreement, including, without limitation, the assurance referred to in the UNITED STATES BANKRUPTCY CODE, 11 U.S.C. §365(b)(3).



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Any person or entity to which this Agreement is assigned pursuant to the provisions of the UNITED STATES BANKRUPTCY CODE, 11 U.S.C. §§101, *et seq.*, shall be deemed without further act or deed to have assumed all of the obligations arising under this Agreement on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to COUNTY an instrument confirming such assumption.

ARTICLE IX

TERMINATION AND DEFAULT

SECTION 9.01 TERMINATION OF PRIOR AGREEMENTS

It is mutually agreed that this Agreement shall terminate and supersede any prior agreements between the parties hereto for the purpose of operating the Parking Facilities and the Valet Parking, including the car wash and detail, and all related activities of OPERATOR at the Airport.

SECTION 9.02 TERMINATION FOR DEFAULT

The COUNTY may terminate this Agreement and all of its obligations hereunder with or without prior notice to OPERATOR and may exercise all rights of entry for default and breach, if the OPERATOR fails to perform on any of its obligations under this Agreement including but not limited to the following:

- A. Failure of OPERATOR to maintain the quality of service to the satisfaction of Airport Director as required by Section 5.03 (OPERATIONAL REQUIREMENTS), after service of a five (5) day notice to correct the condition.
- B. Collection of gross receipts and deposit of such funds into COUNTY's account.
- C. A general assignment for the benefit of creditors and any attempted Transfer as defined in this Agreement.
- D. The issuance of any execution or attachment against OPERATOR at the Airport which is undischarged within sixty (60) days of levy or seizure or if the Operating Area is occupied by someone other than OPERATOR;
- E. The voluntary vacation or abandonment by OPERATOR of operation of the Parking Facilities or Valet Parking at the Airport;
- F. The violation by OPERATOR of any of the terms of any insurance policy referred to in the Agreement;



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- G. If OPERATOR is found by the FAA, TSA, other government regulatory or successor agency to have violated specified safety standards in the conduct of OPERATOR's business;
- H. The violation of any written directions from the Airport Director;
- I. The appointment of a receiver to take possession of all, or substantially all, the assets of OPERATOR located in the Operating Area or of OPERATOR's rights in the Operating Area;
- J. Operator discontinues operations for twenty-four (24) hours or more;
- K. The failure of OPERATOR to obtain from any local, state or federal agency the necessary license or operating permit required for the operation of the Parking Facilities or Valet Parking.

SECTION 9.03 CONDITION OF OPERATING AREA UPON TERMINATION OR DEFAULT

Except as otherwise agreed to herein, upon termination or default of this Agreement, OPERATOR shall redeliver possession of said Operating Area to COUNTY in substantially the same condition that existed immediately prior to OPERATOR's entry thereon, reasonable wear and tear, flood, earthquakes, war and any act of war, excepted. References to the termination of this Agreement shall include termination by reason of expiration.

SECTION 9.04 DISPOSITION OF ABANDONED PERSONAL PROPERTY

If OPERATOR abandons or quits the Operating Area or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to OPERATOR and left on the Operating Area fifteen (15) days after such event shall be deemed to have been transferred to COUNTY. COUNTY shall have the right to remove and to dispose of such property without liability therefor to OPERATOR or to any person claiming under OPERATOR, and shall have no need to account therefor. Personal property left on the Operating Area after termination, expiration, or abandonment of the Agreement shall not be construed as giving OPERATOR possession of the Operating Area during the fifteen (15) days after termination, expiration or abandonment of the Agreement.

SECTION 9.05 COUNTY'S RIGHT TO RE-ENTER

OPERATOR agrees to yield and peaceably deliver possession of the Operating Area to COUNTY on the date of termination or default of this Agreement, whatsoever the reason for such termination or default.

Upon giving written notice of termination or default to OPERATOR, COUNTY shall have the right to re-enter and take possession of the Operating Area on the date such termination or default becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination or default of the Agreement and re-entry of the Operating Area by



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COUNTY shall in no way alter or diminish any obligation of OPERATOR under the Agreement terms and shall not constitute an acceptance or surrender.

OPERATOR waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Operating Area for any lawful reason or in the event COUNTY re-enters and takes possession of the Operating Area in a lawful manner.

ARTICLE X

INSURANCE AND INDEMNITY

SECTION 10.01 INSURANCE

OPERATOR agrees to purchase all required insurance at OPERATOR'S expense and to deposit with COUNTY certificates of insurance, including all endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this AGREEMENT have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with COUNTY during the entire term of this AGREEMENT. This AGREEMENT shall automatically terminate at the same time OPERATOR'S insurance coverage is terminated. If within ten (10) business days after termination under this Section OPERATOR obtains and provides evidence of the required insurance coverage acceptable to Airport Director, this AGREEMENT may be reinstated at the sole discretion of Airport Director. OPERATOR shall pay COUNTY \$300.00 for processing the reinstatement of this AGREEMENT. Said \$300.00 processing cost may be adjusted annually, in accordance with CPI Index by the Airport Director at his sole discretion.

OPERATOR agrees that OPERATOR shall not operate on the Airport Premises at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and

necessary endorsements or, in the interim, an official binder being in the possession of Airport Director. In no cases shall assurances by OPERATOR, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Airport Director will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. OPERATOR also agrees that upon cancellation, termination, or expiration of OPERATOR'S insurance, COUNTY may take whatever steps are necessary to interrupt any operation from or on the Airport Premises until such time as the Airport Director reinstates the AGREEMENT.

If OPERATOR fails to provide Airport Director with a valid certificate of insurance and endorsements, or binder at any time during the term of the AGREEMENT, COUNTY and OPERATOR agree that this shall constitute a material breach of the AGREEMENT. Whether or not a notice of default has or has not been sent to OPERATOR, said material breach shall permit COUNTY to take whatever steps necessary to interrupt any operation from or on the Airport Premises, and to prevent any persons, including, but not limited to, members of the general



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public, and OPERATOR employees and agents, from entering the Premises until such time as Airport Director is provided with adequate evidence of insurance required herein. OPERATOR further agrees to hold COUNTY harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from COUNTY's action.

All contractors performing work on behalf of OPERATOR pursuant to this AGREEMENT shall obtain insurance subject to the same terms and conditions as set forth herein for OPERATOR; however the required lines of insurance and minimum limits are as follows: Commercial General Liability \$1,000,000 per occurrence with a \$2,000,000 aggregate, Commercial Auto Liability \$1,000,000 per occurrence, Worker's Compensation is Statutory and Employer's Liability \$1,000,000 per occurrence. OPERATOR shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by COUNTY under this AGREEMENT. It is the obligation of OPERATOR to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Airport Premises. Such proof of insurance must be maintained by OPERATOR through the entirety of this AGREEMENT and be available for inspection by a COUNTY representative at any reasonable time.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a zero (0) by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management upon review of OPERATOR's current audited financial report.

If OPERATOR fails to maintain insurance acceptable to COUNTY for the full term of this AGREEMENT, COUNTY may terminate this AGREEMENT.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by OPERATOR shall provide the minimum limits and coverage as set forth below:



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Coverages	Minimum Limits
Garage Liability Policy with Symbol 21 (Any Auto)	\$1,000,000 per occurrence \$2,000,000 aggregate
Garage keepers Legal Liability with Direct Primary Coverage	\$1,000,000 per occurrence \$2,000,000 aggregate
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis covering all buildings, contents and any tenant improvement including Business Interruption/Loss of Rents with 12 month limit	100% of the Replacement Cost Value, no coinsurance provision
Employee Dishonesty	\$100,000 per occurrence

Required Coverage Forms

The Garage Liability Policy shall be written on Insurance Services Office (ISO) form CA 0005, or a substitute form providing liability coverage at least as broad.

Required

The following endorsements must be submitted with the Certificate of Insurance:

1. The Garage Liability policy shall contain an Additional Insured endorsement using ISO form CA 20 48, CA 2509 or a form at least as broad naming COUNTY of Orange, its elected and appointed officials, officers, employees, and agents as Additional Insureds.
2. The Garage Liability Policy shall contain a primary non-contributing endorsement evidencing that the OPERATOR'S insurance is primary and any insurance or self-insurance maintained by COUNTY of Orange shall be excess and non-contributing.
3. The Workers' Compensation policy shall contain a Waiver of Subrogation waiving all rights of subrogation against the COUNTY of Orange, its elected and appointed officials, officers, agents and employees.



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4. The COUNTY of Orange shall be a Loss Payee on the Employee Dishonesty coverage. A Loss Payee endorsement evidencing the COUNTY of Orange as a Loss Payee shall accompany the Certificate of Insurance.

All insurance policies required by this AGREEMENT shall waive all rights of subrogation against COUNTY, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

OPERATOR shall notify COUNTY in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach of the AGREEMENT, upon which the County may suspend or terminate this AGREEMENT.

Insurance certificates should be forwarded to the COUNTY address provided in the Clause (NOTICES) below or to an address provided by Airport Director. OPERATOR has ten (10) business days to provide adequate evidence of insurance or this AGREEMENT may be cancelled.

COUNTY expressly retains the right to require OPERATOR to increase or decrease insurance of any of the above insurance types throughout the term of this AGREEMENT. Any increase or decrease in insurance will be as deemed by COUNTY of Orange Risk Manager as appropriate to adequately protect COUNTY.

COUNTY shall notify OPERATOR in writing of changes in the insurance requirements. If OPERATOR does not deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such changes within thirty (30) days of receipt of such notice, this AGREEMENT may be in breach without further notice to OPERATOR, and COUNTY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit OPERATOR'S liability hereunder or to fulfill the indemnification provisions and requirements of this AGREEMENT.

SECTION 10.02 INDEMNITY

OPERATOR agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies for which COUNTY'S Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by OPERATOR pursuant to this Agreement. If judgment is entered against OPERATOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, OPERATOR and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.



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ARTICLE XI

FEDERAL GRANT ASSURANCES AND REQUIREMENTS

SECTION 11.01 NONDISCRIMINATION

- A. OPERATOR, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that:
1. No person on the grounds of race, creed, color, national origin, sex, age, or disability, shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of, or services provided from the Operating Area.
 2. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. OPERATOR agrees that it will not discriminate against any Airport Concession Disadvantaged Business Enterprise (ACDBE) in connection with the provision of service, or the award or performance of any agreement covered by 49 CFR Part 23.
 3. In the construction of any improvements on, over or under the Operating Area and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or disability, shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination.
 4. OPERATOR shall use the Operating Area in compliance with all other requirements imposed by or pursuant to Title 49, CFR Part 21, Subtitle A, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the CIVIL RIGHTS ACT OF 1964, and as said regulations may be amended.
 5. In the event facilities are constructed, maintained or otherwise operated on the Operating Area for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, OPERATOR shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Subtitle A, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the CIVIL RIGHTS ACT OF 1964, and as said regulations may be amended.
- B. In the event of breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate the Agreement and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21, are followed and completed, including expiration of appeal rights.



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- C. OPERATOR shall furnish its accommodations and/or services on a reasonable and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service.
- D. Noncompliance with the provisions found in Article XI shall constitute a material breach thereof and, in the event of such noncompliance, COUNTY shall have the right to terminate this Agreement and the estate hereby created without liability therefor; or, at the election of COUNTY or the United States, either or both said governments shall have the right to judicially enforce paragraphs A, B, and C.
- E. OPERATOR agrees that it shall insert the above four paragraphs in any agreement (contract, etc.) by which said OPERATOR grants a right or privilege to any person, firm or corporation to render accommodations and/or service to the public in the Operating Area.

SECTION 11.02 DEVELOPMENT/MAINTENANCE OF AIRPORT

COUNTY reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or views of OPERATOR, and without interference or hindrance.

COUNTY reserves the right, but shall not be obligated to OPERATOR, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of OPERATOR in this regard.

SECTION 11.03 AGREEMENT SUBORDINATE TO AGREEMENT WITH U.S.A.

This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between COUNTY and the United States or any lawful requirement of the United States relative to the development, operation or maintenance of the Airport.

SECTION 11.04 USE TO CONFORM WITH FEDERAL AVIATION REGULATIONS

OPERATOR agrees that OPERATOR's use of the Operating Area, including all construction thereon, shall conform to applicable FEDERAL AVIATION REGULATIONS.

OPERATOR agrees to comply with notification and review requirements covered in Part 77 of the Federal Aviation Regulations (as same may be amended from time to time or such other regulations replacing Part 77 as may be adopted by Federal authority) prior to the construction of the improvements described herein and prior to the construction of any future structure of building upon the Operating Area or in the event of any planned modification or alteration of any present or future building or structure situated on the Operating Area.



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SECTION 11.05 NONEXCLUSIVE RIGHT

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of §308a of the FEDERAL AVIATION ACT OF 1958 (49 U.S.C. §1349).

SECTION 11.06 RESERVATION OF AVIGATION EASEMENT

COUNTY hereby reserves for itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the Operating Area, together with the right to cause in said air space such noise as may be inherent in the operations of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport.

SECTION 11.07 HEIGHT LIMITATION OF STRUCTURES

OPERATOR by accepting this Agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the Operating Area hereunder (if any) which would penetrate the imaginary surfaces as defined in Part 77 of the FEDERAL AVIATION REGULATIONS (as same may be amended from time to time or as such regulation replacing Part 77 may be adopted by Federal authority) or such other lesser altitude as may be required by COUNTY. In the event the aforesaid covenants are breached, COUNTY reserves the right to enter upon the Operating Area hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of OPERATOR. OPERATOR shall be responsible for filing Form 7460 for any construction and/or height of construction equipment with the FAA, if required.

SECTION 11.08 NONINTERFERENCE WITH AIRCRAFT

OPERATOR by accepting this Agreement agrees for itself, its successors and assigns that it will not make use of the Operating Area in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, COUNTY reserves the right to enter upon the Operating Area and hereby cause the abatement of such interference at the expense of OPERATOR.

SECTION 11.09 WAR OR NATIONAL EMERGENCY

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



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SECTION 11.10 AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

OPERATOR understands and acknowledges the following:

This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. OPERATOR agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

OPERATOR agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters into and cause those businesses to similarly include the statements in further agreements.

COUNTY is required to monitor and report ACDBE participation in the event that there is an ACDBE participant in the project. Therefore, OPERATOR shall provide all information and reports required by COUNTY and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Airport Director to be pertinent to ascertain compliance with the regulations or directives.

ARTICLE XII

MISCELLANEOUS PROVISIONS

SECTION 12.01 TIME

Time is of the essence in this Agreement.

SECTION 12.02 AGREEMENT ORGANIZATION

The various headings and numbers herein, the grouping of provisions of this Agreement into separate Sections and paragraphs, and the organization hereof, are for the purpose of convenience only and shall not be considered otherwise.

SECTION 12.03 AMENDMENTS

This Agreement sets forth all of the agreements and understandings of the parties with regard to its subject matter and any modification must be written and properly executed by both parties.

SECTION 12.04 SIGNS

OPERATOR agrees not to construct, maintain or allow any sign upon the Operating Area except as approved by Airport Director. Unapproved signs, banners, flags, etc., may be removed by Airport Director without prior notice to OPERATOR.



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SECTION 12.05 PERMITS AND LICENSES

OPERATOR shall be required to obtain any and all approvals, permits and/or licenses which may be required in connection with the operation of the Operating Area as set out herein. No permit approval or consent given hereunder by COUNTY in its governmental capacity shall affect or limit OPERATOR's obligations hereunder, nor shall any approvals or consents given by COUNTY as a party to this Agreement, be deemed approval as to compliance or conformance with applicable governmental codes, laws, ordinances, rules, or regulations.

SECTION 12.06 TAXES AND ASSESSMENTS

This Agreement may create a possessory interest which is subject to the payment of taxes levied on such interest. It is understood and agreed that all taxes and assessments (including but not limited to said possessory interest tax) which become due and payable upon the Operating Area or upon fixtures, equipment or other property installed or constructed thereon, shall be the full responsibility of OPERATOR, and OPERATOR shall cause said taxes and assessments to be paid promptly.

SECTION 12.07 CIRCUMSTANCES WHICH EXCUSE PERFORMANCE

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. However, nothing in this Section shall excuse OPERATOR from the prompt payment of any fees or other charge required of OPERATOR except as may be expressly provided elsewhere in this Agreement.

SECTION 12.08 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 12.09 WAIVER OF RIGHTS

The failure of COUNTY or OPERATOR to insist upon strict performance of any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of any right or remedy that COUNTY or OPERATOR may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants and conditions of the Agreement thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant or condition of this Agreement. Any waiver, in order to be effective, must be signed by the party whose right or remedy is being waived.



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SECTION 12.10 RESERVATIONS TO COUNTY

The Operating Area is accepted in its as is condition and location by OPERATOR subject to any and all existing easements and encumbrances. COUNTY reserves the right to install, lay, construct, maintain, repair and operate sanitary sewers, drains, storm water sewers, pipelines, manholes and connections; water, oil and gas pipelines; telephone and telegraph power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across, under and along the Operating Area or any part thereof; and to enter the Operating Area for any and all such purposes.

COUNTY also reserves the right to grant franchises, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Operating Area. No right reserved by COUNTY in this Section shall be so exercised as to interfere unreasonably with OPERATOR's operations hereunder or to impair the security of any secured creditor of OPERATOR. COUNTY agrees that rights granted to third parties by reason of this Section shall contain provisions that the surface of the land shall be restored as nearly as practicable to its original condition upon the completion of any construction. COUNTY further agrees that should the exercise of these rights temporarily interfere with the use of any or all of the Operating Area by OPERATOR, OPERATOR shall only be entitled to a reduction in the fees payable to COUNTY during the period of interference, which shall be reduced in proportion to the interference with OPERATOR's use of the Operating Area. OPERATOR shall not be entitled to any other form of compensation.

SECTION 12.11 AUTHORITY OF OPERATOR

If OPERATOR is a corporation, each individual executing this Agreement on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Agreement on behalf of said corporation, in accordance with the by-laws of said corporation, and that this Agreement is binding upon said corporation.

SECTION 12.12 PUBLIC RECORDS

OPERATOR understands that written information submitted to and/or obtained by COUNTY from OPERATOR related to this Agreement and/or the Operating Area, either pursuant to this Agreement or otherwise, may be open to inspection by the public pursuant to the California Records Act (GOVERNMENT CODE §§6250, *et seq.*) as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public.

SECTION 12.13 RELATIONSHIP OF PARTIES

The relationship of the parties hereto is that of lessor and OPERATOR, and it is expressly understood and agreed that COUNTY does not in any way or for any purpose become a partner of OPERATOR in the conduct of OPERATOR's business or otherwise, or a joint venture with OPERATOR; and the provisions of this Agreement and the agreements relating to fees payable



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hereunder are included solely for the purpose of providing a method by which fee payments are to be measured and ascertained. This Agreement is intended for the sole benefit of the parties hereto and their successors, and, unless otherwise provided herein, or by law, no rights are created, or are intended to be created, for the benefit of, or enforceable by, any third parties.

SECTION 12.14 CONTROL OF HOURS AND PROCEDURES

OPERATOR shall at all times maintain a written schedule delineating the operating hours and operating procedures for each business operation on or from the Airport.

OPERATOR shall furnish Airport Director a copy of said schedules and procedures. Should Airport Director, upon review and conference with OPERATOR, decide any part of said schedules or procedures is incompatible or in conflict with airport operations, OPERATOR, upon written notice from Airport Director, shall modify said schedules or procedures to the satisfaction of Airport Director.

OPERATOR agrees that it will operate and manage the services and facilities offered in accordance with such approved schedule and procedures and in a competent and efficient manner at least comparable to other well managed operations of similar type.

SECTION 12.15 GOVERNING LAW AND VENUE

This Agreement has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

SECTION 12.16 ATTORNEY'S FEES

In any action or proceeding to enforce or interpret any provision of this Agreement, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.

SECTION 12.17 NOTICES

All notices pursuant to this Agreement shall be addressed to either party as set forth below and shall be sent through the United States Mail, in the State of California, duly registered or certified, return receipt requested with postage prepaid or by an overnight carrier service. If any notice is sent by an overnight carrier service, as aforesaid, the same shall be deemed to have been served or delivered twenty-four (24) hours after mailing thereof as above provided.



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Notwithstanding the above COUNTY may also provide notices to OPERATOR by personal delivery or by regular mail postage prepaid and any such notice so given shall be deemed to have been given upon the date of personal delivery or three (3) days after the date of deposit in the United States Mail, respectively:

COUNTY

John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626

OPERATOR

Kendra Petty, Vice President
LAZ Parking California, LLC
3090 Bristol St., Suite 120
Costa Mesa, CA 92626

Either party hereto may from time to time, by written notice to the other in the method described above, designate a different address which shall be substituted for the one above specified.



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

OPERATOR

By: _____

By: _____

APPROVED AS TO FORM:
County Counsel

By: *James C. Kram*

APPROVED AS TO AUDIT AND ACCOUNTING:
Auditor-Controller

By: *Victoria J. Harte* 2/27/2017

RECOMMENDED FOR APPROVAL:
John Wayne Airport

By: *Barry Rondinella*
Barry Rondinella
Airport Director

Signed and certified that a copy of this document has been delivered to the Chair of the Board per G.C. Sec. 25103, Reso 79-1535
Attest:

Robin Stieler
Robin Stieler
Clerk of the Board of Supervisors
County of Orange, California

COUNTY OF ORANGE

By: *James J. ...*
Chairman of the Board of Supervisors
County of Orange, California



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

OPERATOR *LA: FRENCH CALIFORNIA, LLC*
By: *[Signature]*
Michael Kurzak
By: COO

APPROVED AS TO FORM:
County Counsel

By: _____

APPROVED AS TO AUDIT AND ACCOUNTING:
Auditor-Controller

By: _____

RECOMMENDED FOR APPROVAL:
John Wayne Airport

By: _____

Barry Rondinella
Airport Director

Signed and certified that a copy of this document has been delivered to the Chair of the Board per G.C. Sec. 25103, Reso 79-1535

Attest:

COUNTY OF ORANGE

Robin Stieler
Clerk of the Board of Supervisors
County of Orange, California

By: _____
Chairman of the Board of Supervisors
County of Orange, California



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Amendment No 2¹

2 EXHIBIT A

3 OPERATING AREA DESCRIPTION

Parking Facilities

All parking facilities shown on the Location Map marked Exhibit B attached hereto and made a part hereof, being those certain areas designated as:

“Northwest Parking Structure (containing garage A1)” including approximately 1,457 parking spaces.

“East Parking Structure (containing garages A2 & B2)” including approximately 3,134 parking spaces and the Ground Transportation Center (“GTC”)

“Parking Structure C” including approximately 2,025 parking spaces.

“Main Street Lot” containing 1,959 spaces, located on the south side of Main Street adjacent to the 405 Freeway on the south.

The following two Parking Facilities shall be used by OPERATOR for specified cleaning and maintenance only:

Employee lot containing approximately 803 spaces, located immediately north of the Main Street Lot.

“Commercial vehicle Lot” containing approximately 100 spaces, located at the intersection of MacArthur Boulevard and Campus Drive; and, the cell phone lot containing approximately 18 spaces.

All square foot measurements and space counts are approximate and subject to change.

Page: 69

Number: 1 Author: jdixon Subject: Typewritten Text Date: 8/31/2023 10:54:29 AM

Amendment No 2

Number: 2 Author: jdixon Subject: Highlight Date: 8/31/2023 10:27:50 AM

5. **Operating Area Description.** Exhibit A, Page 2 of 2 replaced

Number: 3 Author: jdixon Subject: Highlight Date: 8/31/2023 10:26:50 AM



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Valet Parking

All Operating Area shown on the Location Map marked Exhibit B attached hereto and made a part hereof, being those certain areas designated as:

Valet Vehicle Drop-Off and Pick-Up Area located adjacent to the curb between Terminals A and B, and in front of Terminal C on the Departure Level. Each area contains space for three (3) lanes of twenty-five (25) cars each, for a maximum total of 150 vehicles. Each area includes a cashier kiosk provided by COUNTY.

Valet Parking Area containing approximately 60,747 sf and approximately 207 parking spaces located on Level 0 of Parking Structure A2.

Valet Parking Area containing approximately 94,911 sf and 315 parking spaces located on Level 0 of Parking Structure B2.

Valet Parking Area located on Level 1 of the Parking Structure B2 containing approximately 20,135 sf and 65 parking spaces. Said Parcel also includes a car detail area consisting of 4 parking spaces and an office.

All of which are situated within the John Wayne Airport Terminal complex at 18601 Airport Way, in the City of Santa Ana, County of Orange, State of California, and located in Lots 132 and 135 of Block 7 of the Irvine subdivision, per map recorded in Book 1, Page 33 of Miscellaneous Maps, in the office of the County Recorder of Orange County, together with the right of ingress and egress thereto.

All square foot measurements and space counts are approximate and subject to change.



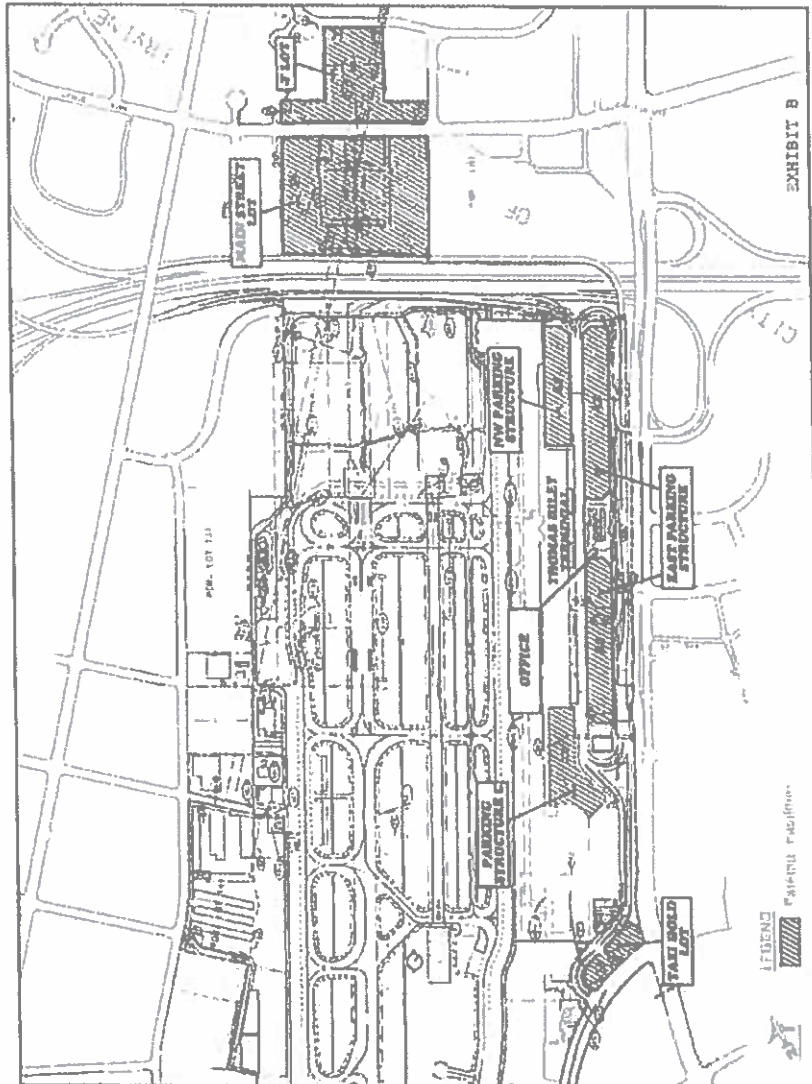
JOHN WAYNE AIRPORT PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Amendment No. 1

EXHIBIT B

MAP OF OPERATING AREA

Parking Facilities




Page: 71

 Number: 1 Author: jdixon Subject: Typewritten Text Date: 8/31/2023 10:54:51 AM

Amendment No 2

 Number: 2 Author: jdixon Subject: Highlight Date: 8/31/2023 10:28:17 AM

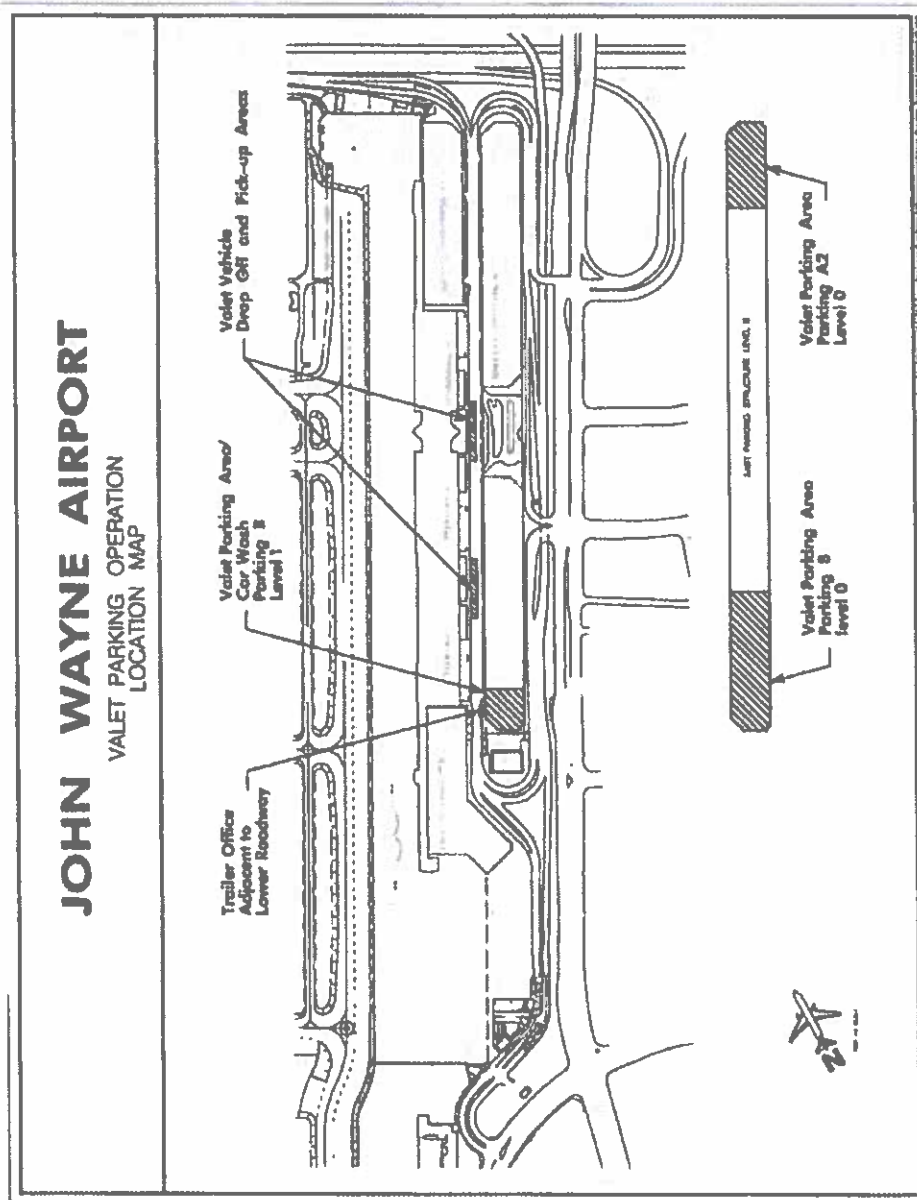
 Number: 3 Author: jdixon Subject: Highlight Date: 8/31/2023 10:29:03 AM

6. **Map of Operating Area.** Exhibit B, Page 2 of 2, shall be replaced.



JOHN WAYNE AIRPORT PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Valet Parking





**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

**EXHIBIT C
MINIMUM MAINTENANCE REQUIREMENTS**

TASK	Daily	Weekly	Monthly	Annually
1. CLEANING				
a. Hand Sweeping -around cashier booths; remove loose debris at parking structures, Main Street Lot and T-Lot	●			
b. Machine Sweeping – parking structures, Main Street Lot, Employee Lot (Hand sweep as necessary) Commercial vehicle lot and Cell phone Lot (Hand sweep as necessary)	●	●		
c. Empty Trash Cans (daily or more often as needed)	●			
d. Restrooms (Main Street Lot, Garage A2/B2): ▸ floors , fixtures	●			
e. Cashier Booths: ▸ floors (sweep or mop) ▸ clean windows, wipe down equipment	●	●		



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

f. Parking Office: <ul style="list-style-type: none"> ▸ floors (sweep or mop) ▸ windows ▸ carpet (steam clean semi-annually) 	●	●		●
g. Stairwell Areas: <ul style="list-style-type: none"> ▸ hand sweep, remove debris ▸ damp wipe handrails, ▸ clean parking structure windows-exterior windows & interior (accessible) windows 	●	●	●	
h. Parking Structure Floors: <ul style="list-style-type: none"> ▸ clean excess oil, stains or other accumulations ▸ spot steam clean all parking structures ▸ steam clean elevator lobby areas, entrance & exit lanes ▸ power clean all concrete surfaces in Parking Facilities (including GTC & GTC islands) ▸ steam clean exterior sidewalks of GTC and elevator plazas 	●	●	●	● Semi-annually
i. Overhead Pipes: <ul style="list-style-type: none"> ▸ damp wipe sprinkler pipes & electrical conduit pipe 				●
j. Parking Control Equipment: <ul style="list-style-type: none"> ▸ dust wipe 		●		



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

TASK	Daily	Weekly	Monthly	Annually
k. Shuttle Shelters in all operating areas: <ul style="list-style-type: none"> ▸ wipe down benches ▸ clean windows ▸ steam clean shelters & surrounding areas 		● ●	●	

2. DOORS AND HARDWARE				
a. Doors should close and latch properly	●			
3. ELECTRICAL SYSTEM				
a. Check light fixtures and exposed conduit	●			
4. PARKING CONTROL EQUIPMENT				
a. Check for proper operation	●			
5. PLUMBING / DRAINAGE SYSTEMS				
a. Check for proper operation				



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PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

<ul style="list-style-type: none"> ▸ restroom facilities ▸ floor drains in parking structures (during rainy season) 	<ul style="list-style-type: none"> ● ● 			
6. SAFETY CHECKS				
a. Handrails and Guardrails		●		
b. Exit Lights	●			
c. Emergency Lights	●			
d. Tripping Hazards	●			
7. SIGNS (GRAPHICS)				
a. Check signs for				
<ul style="list-style-type: none"> ▸ proper placement ▸ cleanliness (monthly or more often as needed) ▸ legibility ▸ proper illumination of open/close signs at ticket spitters 	<ul style="list-style-type: none"> ● 	<ul style="list-style-type: none"> ● 	<ul style="list-style-type: none"> ● ● 	



**JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT**

**EXHIBIT D
MINIMUM REQUIREMENTS FOR
TRASH, ASH TRAY & RECYCLING RECEPTACLES**

Location	# Trash Cans	Outside/Covered	Ash Trays
Main St. Lot	9	9	9
A1 Garage	24	6	0
A2 Garage	30	7	0
C Garage	40	11	0
B2 Garage	30	7	0
Employee Lot	4	4	4
Cell Phone Lot	2	2	2
GTC	Airport provides 14 trash and 8 ash trays in GTC. OPERATOR is responsible for emptying.		

Trash cans shall be plain 32-gallon round Rubbermaid type gray trash receptacles. Trash cans that are covered shall have dome type lid with matching color door. Airport Director may approve other types of trash containers. Trash receptacles shall be lined with trash liners provided by OPERATOR.

Ash trays shall be Smokers Cease Fire type in matching gray color to trash receptacles.

OPERATOR shall, at Airport's request, add or remove trash and ash receptacles as requested. All trash and ash receptacles shall be maintained in good condition and upon leaking shall be replaced.



JOHN WAYNE AIRPORT
PARKING FACILITIES AND VALET PARKING OPERATING AGREEMENT

Location	# Recyclables Containers	Outside/Covered
Main St. Lot	9	9
A1 Garage	24	6
A2 Garage	30	7
C Garage	40	11
B2 Garage	30	7
Employee Lot	4	4
Cell Phone Lot	2	2
GTC	14	14

Recycle containers shall be plain 32-gallon Rubbermaid type blue receptacles, with pictures of the bottles and cans and the recycling sign/logo displayed, and preferably have a limited opening that opens to the side. Recyclables containers shall be lined with trash liners provided by OPERATOR.

NOTE:

BOTH TRASH AND RECYCLABLES CONTAINERS SHALL BE LINED WITH DIFFERENT COLOR LINING (OR OTHERWISE MARKED FOR CLEAR IDENTIFICATION) TO AVOID MISPLACEMENT. ALL CONTAINERS AND LINERS SHALL BE SUBJECT TO APPROVAL BY AIRPORT DIRECTOR. OPERATOR IS RESPONSIBLE FOR EMPTYING ALL TRASH, ASH TRAY AND RECYCLING RECEPTACLES.