REQUEST FOR PROPOSALS ("RFP")

PARKING MANAGEMENT SERVICES

Lexington-Fayette Urban County Airport LFUCAB
4000 Terminal Drive
Lexington, KY 40510
www.bluegrassairport.com/business-opportunities/

Tuesday, August 25, 2026

SECTION I: NOTICE OF REQUEST FOR PROPOSALS

1.1 **Request for Proposals.** The Lexington-Fayette Urban County Airport LFUCAB ("LFUCAB") is issuing this Request for Proposals ("RFP") for the purpose of obtaining **parking management services** at the Blue Grass Airport ("LEX"), 4000 Terminal Drive, Lexington, KY 40510.

1.2 **Submission.** An electronic copy of the proposal must be clearly labeled "LEX Parking Management Services Proposal" and submitted to LFUCAB no later than **Friday, November 13, 2026, by 12:00 PM Eastern** to both:

Attn: Jennifer Ratliff, Landside Manager (Point of Contact)
Email: jratliff@bluegrassairport.com

Attn: Dan Benzon, Benzon Aviation Consulting
Email: dan.benzon@benzongroup.com

Any Proposals received after this deadline shall not be accepted.

1.3 **Purpose.** The Lexington-Fayette Urban County Airport LFUCAB is soliciting proposals for a company to provide parking management at the Blue Grass Airport, a small-hub commercial airport. The LFUCAB desires to engage a first-class public parking management company that can manage forward-thinking technological solutions, provide superior customer service, and increase revenues to the Airport. The program is designed to manage the current public parking garage and lots and to provide services including valet, luggage cart and certain ancillary services. Further, the selected company should have the ability to provide analytics that can assist in additional non-airline revenue production for the LFUCAB and to conduct procurement activities for parking-related equipment and services on behalf of LFUCAB (hereinafter, the "Project"). The successful company will be required to enter into an agreement with LFUCAB for the services requested in this RFP within a reasonable time after award. A company submitting a proposal must be qualified with references from other similarly sized airport clients, and the company must be prepared to use LFUCAB's parking management agreement rather than its own agreement form. Based upon the evaluation of the proposals submitted, the LFUCAB will award an agreement to the highest evaluated company.

1.4 **Non-Mandatory Pre-Proposal Conference**. Proposers who intend to submit a proposal are encouraged to attend the pre-proposal conference on **Tuesday, September 22, 2026, at 12:00 PM Eastern.** The Conference will be held in the Airport administrative offices on the mezzanine level of the terminal, and a parking facilities tour will be included after a presentation. If attendance is necessary via MS Teams, a conference call line will be distributed to those parties making a request to attend virtually. Only the administrative offices' presentation of the pre-proposal conference will be available virtually and not the tour of parking facilities.

1.5 **Questions and Requests for Clarifications**. All questions regarding this RFP shall be directed via email to the two people listed in Section 1.2 above. Any questions or clarifications must be delivered no later than **Tuesday, September 29, 2026, by 12:00 PM Eastern**.

1.6 **Responses to Questions**. Responses to written questions and requests for clarification will be posted via Addendum no later than **Tuesday, October 6, 2026, by 12:00 PM Eastern** on the Airport website under business opportunities on the date identified below.

1.7 **Procurement Schedule.** The schedule for this Procurement is as follows:

Date/Time	Activity
August 25, 2026	Request for Proposals issued
September 22, 2026	Pre-Proposal Conference
September 29, 2026	Written questions and requests for clarification due
October 6, 2026	Responses to questions and requests for clarifications posted via Addendum on the Airport website under business opportunities
November 13, 2026	**PROPOSALS DUE**
July 1, 2027	Commencement Date

Dates are subject to change with notification.

SECTION II: PROPOSAL INFORMATION

2.1 The following proposal elements have been identified as being central to maximizing and understanding the opportunity presented.

2.1.1 Attached as **Exhibit 1** are LFUCAB's parking facilities (garage and lots) with the current number of spaces available. Recently, the lots were expanded to support parking lot demand growth at the airport.

2.1.2 Attached as **Exhibit 2** is LFUCAB's current PARCS equipment at the parking facilities, specifically the entrance and exit. The Airport uses TIBA technology. The equipment is approximately two years old. In addition to the entrance and exit technology, LFUCAB purchased customer portals, scan to pay and a reservation system. The portals and scan to pay will be implemented in summer/fall 2026 and the reservation system will be implemented at a future date. The valet booth utilizes the TEZ technology app.

2.1.3 Attached as **Exhibit 3** is LFUCAB's sample agreement. Proposer should carefully review the agreement as this is in substantially similar form to the agreement that will be provided to the successful company for execution. Proposer must submit any exceptions to the sample agreement as a part of the RFP process. Any material changes requested to the agreement after award will not be considered by LFUCAB.

2.2 The current parking agreement is a concessions agreement with Republic Parking (Reimagined Parking) that has been in place since February 2016 based upon a RFP process in summer 2015. That agreement expires June 30, 2027. Currently, Republic Parking could propose on this new management agreement solicitation.

2.3 Gross parking revenue reported for fiscal years 2024, 2025, and 2026 are noted below. The LFUCAB operates on the July-June fiscal year.

Gross Parking Revenue Reported		
Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
$10,123,786	$10,928,894	$11,717,821

For fiscal year 2026, the parking facilities had the following transactions reported:

Transactions	**Amount**
Manual Tickets	3,829
Short Term Tickets	115,012
Long Term Tickets	59,330
Overflow Tickets	5,222
Short Exit Tickets (Grace period)	30,972
Total Transactions Tickets	**214,365**
Valet Tickets	**6,512**

SECTION III: INSTRUCTIONS TO QUALIFIED PROPOSERS

3.1 **Proposal Format and Content**. To facilitate review, all proposals in response to this RFP ("Proposals"), should include the following information and conform to the following format:

3.1.1 **Cover Letter.** A cover letter to identify Proposer and to state information about Proposer's business organization and history in managing parking facilities. For Proposer's company that would be executing an agreement with the LFUCAB, the cover letter will include the full name of the company, whether it is a corporation, limited liability company, or other, the state of incorporation and whether it is currently or will be qualified to do business in the Commonwealth of Kentucky as a foreign corporation, and the name of any holding or parent company, if applicable. Further, the cover letter must include the name, principal address, federal tax ID number, telephone number, and e-mail address of the Proposer and Proposer's point of contact and authorized agent to execute the agreement.

3.1.2 **Executive Summary.** The executive summary should provide a clear and concise summary of the Proposer's background, level of expertise, direct relevant experience, and ability to manage the operation. The executive summary should make the Proposer's case on why Proposer is the best candidate. The Proposer should structure this section in a manner that allows it to serve as a stand-alone document if separated from the other sections of the proposal.

3.1.3 **Experience in Parking Management.**

A. Provide Proposer's relevant history in operating parking management, including Proposer's principals and persons who would be responsible for the implementation and the operation of the Airport parking management.

B. Provide other airports served by Proposer, including total number of airports and a list of similarly sized airports.

C. Explain experience in non-airport facilities and how those venues may apply to operating this airport facility, including benefits learned from those other types of operations.

D. Describe Proposer's experience in valet services, luggage cart services, online reservations, loyalty programs, analytics, and other related services that may be of benefit to the LFUCAB, including resources to procure equipment or services for parking-related on behalf of LFUCAB. This is an opportunity for Proposer to showcase its capabilities above and beyond public parking management with related ancillary services (e.g., management of cell lots and/or employee lots, use of other platforms and online systems, offered proprietary programs, etc.).

E. Explain why Proposer has chosen the specific references listed in the 'references' exhibit rather than other potential references it could have submitted.

3.1.4 **<u>Operational Plan, Customer Service and Staffing</u>.**

A. Submit an overview of the operation plan for the airport parking facilities in **<u>Exhibit 1</u>**. The parking structure has three levels. Valet is currently outsourced to a separate vendor but can be included as a part of the proposal.

B. Explain how the LFUCAB can utilize its public parking facilities better without the use of an airport-wide shuttle operation. State whether Proposer will offer limited shuttle services on demand (e.g., disability) for intra-lot services.

C. Explain how Proposer will integrate the Airport parking facility equipment described in Section II and shown in **<u>Exhibit 2</u>** and describe Proposers current level of familiarity and experience with this equipment. Further describe whether any of the current equipment would not be utilized, what additional equipment may be needed, and any other equipment-related concerns or opportunities Proposer believes is important for the LFUCAB to understand.

D. State whether Proposer would provide an alternative approach to the use of the LFUCAB's equipment in **<u>Exhibit 2</u>** in the near term or long term and how Proposer would implement such a transition. Note that there is no required capital investment from Proposer and no guarantee of a longer agreement term at this time.

E. Submit a concise narrative on plans to manage, staff, and operate the parking facilities. Address how peak times and holiday would be accommodated. Address how off-hours and overnight issues would be solved. Address how many employees would be assigned to the Airport and associated time shifts.

F. Submit a concise narrative on customer interaction and problem resolution. Specify how Proposer's plan may be superior to industry standard customer service.

G. Provide a transition plan based upon Proposer's experience in onboarding a new venue, including timeline, process, and troubleshooting / stopgap.

3.1.5 **Use of Technology**.

A. Explain what technology, software, platform, and/or systems Proposer utilizes and if such technology can integrate with technology currently owned by the LFUCAB.

B. State whether Proposer's technology is proprietary or licensed, and what intellectual property risks there may be for which the LFUCAB should be aware if utilized.

C. Describe the customer experience with Proposer's technology and any programs benefiting customers.

D. Explain what data and analytics the LFUCAB would receive from Proposer's technology and how this could be used by the LFUCAB for marketing purposes.

E. Explain how the LFUCAB could maximize its revenues, parking or other non-airline, utilizing LFUCAB's current technology and Proposer's technology.

3.1.6 **Financial Plan**.

A. The LFUCAB will evaluate proposed management fees and compensation methodologies. Provide one or more financial compensation fees for public parking management, valet services, luggage cart services and any ancillary services requested by the LFUCAB. For each service (or for combined services), include a five-year proforma stating projected gross sales (Proposer can use LFUCAB's past gross revenues as a guide), detailed expenses, and revenues shared. Describe impacts to staffing, risks to both parties, and reasoning for Proposer's preference. The fees will be included as Proposer's "**Attachment A**".

B. If there is any cost associated with technology proposed and provided by Proposer, then include a Capital Investment Plan as "**Attachment B**". Such Capital Investment Plan must be compatible with the LFUCAB's current equipment in **Exhibit 2**. A capital investment plan is not required by Proposer.

3.1.7 **Airport Concessions Disadvantage Business Enterprise (ACDBE).** Once the Commonwealth of Kentucky has certified parties as disadvantaged business enterprises, an ACDBE participation goal may be established for the parking management agreement. Proposer will acknowledge that a concession specific goal could be included as a part of the agreement and that Proposer will make good faith efforts to meet or exceed that goal once included therein.

3.1.8 **Attachments for Proposer to complete and submit**

A. Financial Pro Forma / Proposed Management Fee(s)

B. Capital Investment Plan (if applicable)

C. Exceptions to the Sample Agreement (if any)

D. References (minimum of 3)

E. Proof of Insurance Coverage

F. Acknowledgement of Addenda

SECTION IV: EVALUATION OF PROPOSALS

4.1 **Weight of Factors for Consideration.** LFUCAB will evaluate and weigh above factors as follows:

Criteria #1 Responsiveness to RFP requirements & Alignment with LFUCAB	10%
Criteria #2 Parking management experience & References feedback	20%
Criteria #3 Operational plan, Customer service, Staffing	20%
Criteria #4 Experience in use of Technology & Benefits to the LFUCAB	20%
Criteria #5 Financial proposal(s) & Revenue to the LFUCAB	30%

4.2 **Interviews.** LFUCAB may schedule written or oral discussions with qualified Proposers whose proposals are deemed acceptable for award. After the evaluation committee reviews and scores the proposals, the committee may invite a short list of Proposers to interview and present to the evaluation committee. Any decisions to interview are in the sole discretion committee. The evaluation committee will have a maximum points value of thirty (30) points to add to the evaluation criteria. Interviews may be in person or via MS Teams. Interviews will be structured by the evaluation committee, and interviewees will be notified of the anticipated presentation content beforehand.

4.3 **Recommendation for Award.** Following any interviews, the evaluation committee will finalize its scoring and make an award recommendation to the LFUCAB. At the sole discretion of the LFUCAB, the LFUCAB may accept or reject the recommendation of the evaluation committee. If the recommendation is accepted, an award will be given to the successful Proposer. If the recommendation is rejected, the LFUCAB may conduct an MS Teams interview with the top (2) Proposers based upon evaluation committee scoring (including interviews, if any) and the LFUCAB may proceed with an award thereafter.

SECTION V: GENERAL CONDITIONS TO THIS RFP

5.1 **Right to Terminate RFP.** LFUCAB reserves the right to cancel this RFP at any time and for any reason. Neither this RFP, nor any negotiations or discussions that may result from this RFP, obligate LFUCAB in any way to award a contract to a qualified Proposer.

5.2 **Validity of Proposals.** All Proposals submitted in response to this RFP shall remain valid for a period of six (6) months after the due date specified in Section 1.7 above.

5.3 **Modification or Withdrawal of Proposals.** Proposers may withdraw or modify their Proposals by written notice to LFUCAB only if provided before the exact hour and date specified in Section 1.7 above.

5.4 **Addenda.** Any addenda or additional instructions issued by LFUCAB prior to the time set for receipt of Proposals shall become a part of this RFP. In the event LFUCAB issues addenda to this RFP, such addenda shall be acknowledged in the Proposer's Proposal. No modifications to the instructions or content of this RFP will be binding unless set forth in a properly-issued addendum.

5.5 **Rights to Proposal.** All materials submitted by Proposers to LFUCAB shall become property of LFUCAB upon its receipt.

5.6 **Kentucky Open Records Act.** In submitting a Proposal in response to this RFP, the Proposer acknowledges and agrees that LFUCAB is a public agency subject to the Kentucky Open Records Act, KRS 61.870 et. seq. ("KORA"). Proposals and all related information and documentation may be subject to disclosure under KORA. Proposers shall be deemed to have knowledge of this law and the means of protecting their legitimate interests.

5.7 **Title VI Solicitation Notice.** LFUCAB, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4), 28 CFR § 50.3, and 49 CFR Part 21, hereby notifies all proposers that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all contractors will be afforded full opportunity to submit proposals in response to this invitation and will not be discriminated against on the grounds of the owner's race, color, national origin, sex, creed, age, or disability in consideration for an award.

5.8 **Consideration and Rejection of Proposals.** Until the time that LFUCAB awards a contract pursuant to this RFP, LFUCAB reserves the right to reject any or all Proposals, waive technicalities contained within Proposals, and re-advertise for Proposals for the work contemplated herein.

5.9 **Restrictions on Communications with LFUCAB and LEX**. From the issuance date of this RFP and until the award of a contract pursuant to this RFP, Proposers shall not communicate with any employee, representative, director, officer, or LFUCAB member of LFUCAB or LEX except as specifically authorized herein. A Proposer's violation of this section may result in LFUCAB's rejection of that firm's Proposal.

5.10 **Cost of Preparing Proposal.** Any and all costs incurred by Proposers in the preparation and submission of their Proposals are the sole responsibility of such Proposers, and LFUCAB will not provide any reimbursement for such costs.

5.11 **Conflicts of Interest.** In submitting a Proposal in response to this RFP, the Proposer certifies and affirms that:

5.11.1 The signor of the Proposal is authorized to sign and submit on behalf of the Proposer.

5.11.2 The Proposal was prepared by the Proposer independently, and without collusion.

5.11.3 The contents of the Proposal have not been communicated to any persons not employees or agents of the Proposer prior to the closing date of this RFP.

5.11.4 That the Proposer has not and will not offer, give, or agree to give any gratuity or item of value to LFUCAB or LEX in connection with LFUCAB's decision to award a contract under this RFP.

5.12 **Right to Protest and Protest Process.**

5.12.1 Only Proposers who submit a proposal are provided rights and remedies pursuant to this RFP and the process herein. Potential Proposers that do not participate in the RFP process by submitting a proposal by the due date are barred from an RFP protest process. The rights and remedies herein are exclusive and no other path to protest is applicable to the award of an agreement under this RFP.

5.12.2 Any Proposer who is qualified to protest per subsection 1 above shall protest to the VP, Commercial Development in the manner stated in subsection 5.11.3 below within five (5) days of the award.

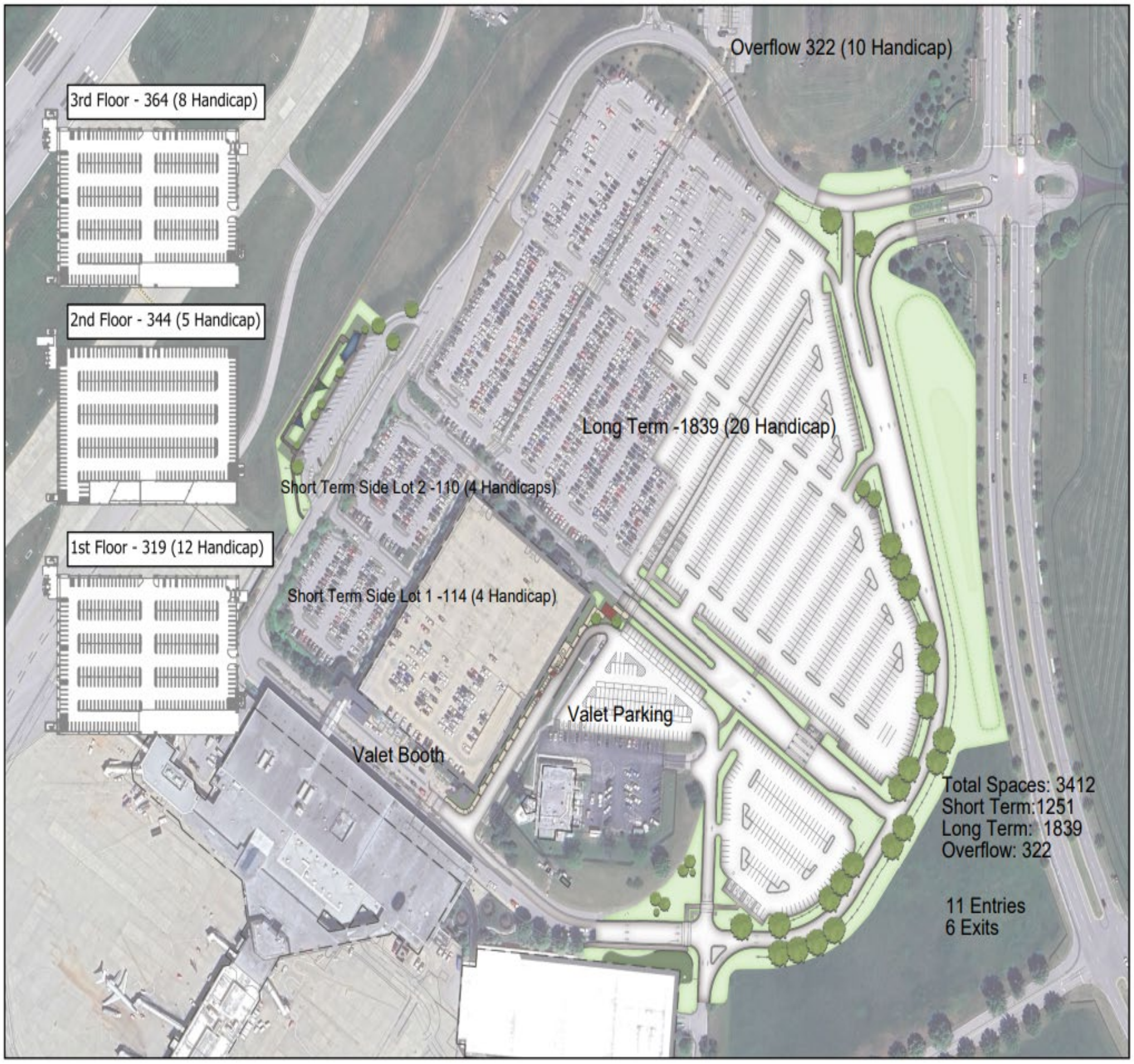
5.12.3 Any protest submitted must be in writing and shall set forth the grounds of the protest and the requested relief, including sufficient detail to give proper notice and understanding of the issue to be remedied. It must be addressed to:

Travis Crilly, A.A.E.
Vice President, Commercial Development
tcrilly@bluegrassairport.com

<u>**EXHIBIT 1**</u>

View 1:

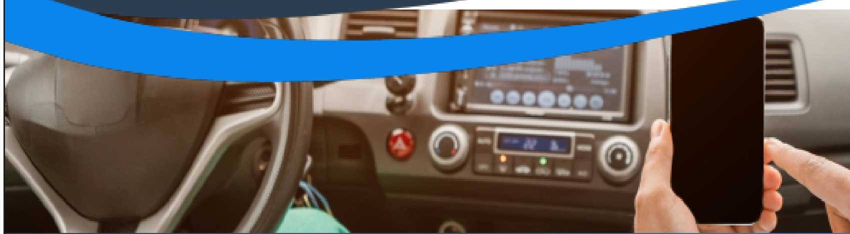
View 2:



Overflow 322 (10 Handicap)
3rd Floor - 364 (8 Handicap)
2nd Floor - 344 (5 Handicap)
1st Floor - 319 (12 Handicap)
Long Term -1839 (20 Handicap)
Short Term Side Lot 2 -110 (4 Handicaps)
Short Term Side Lot 1 -114 (4 Handicap)
Valet Parking
Valet Booth
Total Spaces: 3412
Short Term:1251
Long Term: 1839
Overflow: 322
11 Entries
6 Exits

EXHIBIT 2

TIBA PARKING SYSTEMS



MP-60 ENTRY STATION

Spec Sheet

The TIBA MP 60 Entry Station supports both ticket and ticketless entry, ensuring seamless vehicle access. It features advanced ticketing options, including barcodes and magnetic stripes, as well as modern access methods like proximity cards and license plate recognition. Its durable design and intuitive interface enhance efficiency and security in various parking environments, delivering the modern parking experience parkers expect.

Ticketless Entry
Supports entry via LPR, phone number, credit card, proximity card, barcode credential, and Bluetooth.

Access Credentials
Supports LPR, HID Proximity, Mifare, Mag-Stripe Room Key, QR barcodes, BLE, AVI, and driver's license.

Credit Card Solutions
Numerous options including Mag-Stripe, P2PE EMV with or without pin pad, NFC, and Scan to Pay.

Control Capabilities
Manages barrier gates, electronic signage, lane counts, and more.

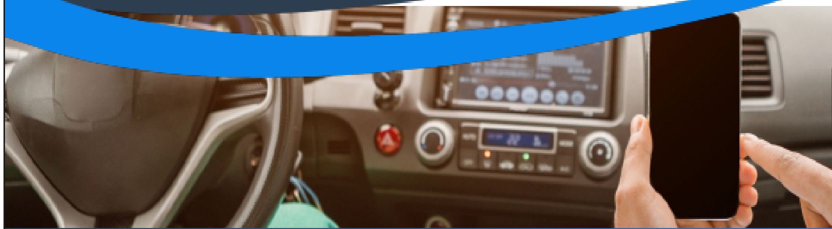
Ticket Capacity
Holds up to 5,000 tickets in one paper roll.

Touch Screen
High-resolution 10.1" color touch screen supports ticketless entry, rate display, prepay options, and help services.

Intercom System
Embedded Voice Over IP intercom for communication.

Housing
Rugged, tamper-resistant stainless steel construction.

Certification and Compliance
O/S less embedded technology, FCC, CE, UL, CSA certified, PCI 3.2 compliant, and ADA compliant



SW-60 EXIT STATION

Spec Sheet

The TIBA SW 60 Exit Station ensures smooth ticket and ticketless exits with options like barcodes, magnetic stripes, proximity cards, Bluetooth, and QR code scanning from online reservations at the exit device. Parkers can pay at Pay-on-Foot stations or via mobile payments before reaching the exit. Its robust design and user-friendly interface enhance efficiency and security, delivering a modern parking experience.

High-throughput, Unattended Operations

- In-lane ticket processing
- Pay on foot
- Mobile payments

Flexible Payment and Access

- Supports credit cards including mag-stripe, P2PE EMV with our without pin pad, and NFC
- Compatible with access credentials such as LPR, HID proximity, QR barcodes, BLE, AVI, and driver's license

Advanced Features

- 10.1" color touch screen for various devices
- On-demand receipt printing
- Embedded VOIP intercom and IP camera

Additional Capabilities:

- Supports validation stickers, coupons, and reservations
- Controls barrier gates, signage, lane counts

Housing

- Rugged, tamper-resistant stainless steel construction.

Certification and Compliance

- O/S less embedded technology, FCC, CE, UL, CSA certified, PCI 3.2 compliant, and ADA compliant

<u>EXHIBIT 3</u>

SAMPLE AGREEMENT

[*TO BE ADDED VIA ADDENDUM*]

Addendum #1

Sample Agreement

Issued: 9/4/2026

Request for Proposals for Parking Management Services

Blue Grass Airport

RFP Issued: 8/25/26

LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD
BLUE GRASS AIRPORT
PARKING MANAGEMENT AGREEMENT

This Parking Management Agreement ("**Agreement**"), dated July 1, 2027 ("**Effective Date**"), by and between the Lexington-Fayette Urban County Airport Board ("**Board**") and _____________, a [STATE] [ENTITY] ("**Manager**"), licensed to do business in the Commonwealth of Kentucky with its headquarters address at __________________________. The parties acknowledge that this Agreement may be executed prior to the Effective Date and, upon execution by both parties, shall constitute a binding agreement of the parties; provided that the Term and the Manager's obligation to commence performance of the Services shall begin on the Effective Date.

BACKGROUND:

WHEREAS, the Board operates Blue Grass Airport ("**Airport**"), located in Fayette County at 4000 Terminal Drive, Lexington, Kentucky 40510;

WHEREAS, public parking and other ancillary services at the Airport are essential for proper accommodation of passengers arriving at and departing from the Airport;

WHEREAS, the Board solicited competitive proposals from qualified parking management companies for the non-exclusive right to manage, operate, and maintain public parking and ancillary services at the Airport pursuant to Request for Proposal No. for Parking Management Services dated August 25, 2026 ("**RFP**");

WHEREAS, Manager submitted a proposal and was selected by the Board to provide said services at the Airport; and

WHEREAS, the Board desires to engage Manager, and Manager desires to provide such services, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements set forth herein, the Board hereby engages Manager to provide the Services, and Manager agrees to provide the Services, in accordance with the terms and conditions of this Agreement.

AGREEMENT:

SECTION 1. DEFINITIONS

Unless the context clearly indicates otherwise, the terms defined in this Section will, for all purposes of this Agreement, have the following meanings. The following definitions will be equally applicable to both the singular and plural forms of any of the terms defined below.

1.1. “Agreement Year” means each twelve (12) month period or portion thereof during the Term of the Agreement beginning on July 1, 2027, or any anniversary thereof.

1.2. “Capital Improvements” or “Improvements” means buildings, structures, curbs, sidewalks, driveways, parking areas, fixtures, equipment and any design, construction, addition, alteration or betterment to real estate or to any existing improvement or any part thereof that is affixed in such a manner that it cannot be easily removed without damaging the property.

1.3. “Term” means collectively, the Initial Term as may be extended by an Option Term, if exercised.

SECTION 2. TERM

2.1. Initial Term. This Agreement will be for a term of five (5) years (“**Initial Term**”) commencing on the Effective Date and ending on June 30, 2032 (“**Expiration Date**”).

2.2. Option Term. Upon the mutual agreement of the Board and Manager, this Agreement may be renewed for one (1) additional three (3) year consecutive term (“**Option Term**”) and the Expiration Date will be extended accordingly until to June 30, 2035. This Option Term may be offered by Board, (i) upon written notice of request to Board from Manager no later than one (1) year prior to the Expiration Date of the Initial Term, (ii) provided Manager is not in default hereunder at the time of, and for the six (6) months’ prior, to Manager’s written notice of request to Board, and (iii) only upon any updated terms and conditions stated by Board to Manager, if any. Manager will be provided up to forty-five (45) days to accept the updated terms and conditions to execute the Option Term.

2.3. Continued Service. In order to avoid any interruption of service to the public and to facilitate a fair and orderly selection of and/or transition to any successor Manager, the Board may provide written notice to Manager not less than sixty (60) days before the end of the Term that continued service is required and Manager agrees upon written notice to continue service for a period beyond the Expiration Date no greater than one-hundred eighty (180) days, under the same terms and conditions in effect immediately prior to the Expiration Date.

2.4. Early Termination. The Board reserves the right to cancel and terminate this Agreement in full or in part for any Facilities (as defined below), for its convenience or for any reason whatsoever, upon sixty (60) days written notice to Manager. In the event of such termination, Manager will not be entitled to recover any damages from the Board in connection with or arising out of such termination, including, without limitation, lost profits or costs of any nature, provided however, that Manager may recover the verified, reasonable, unamortized hard costs of any Capital Improvements that had been approved by the Board and actually made to the Facilities and affected by the termination, which have not been fully depreciated using a straight line schedule, at the time of termination. Manager agrees to continue service in good faith and the Board agrees to compensate Manager until the expiration of the sixty (60) day period.

SECTION 3. FACILITIES

3.1. Facilities. The “**Facilities**” means, collectively, the Public Parking Facilities and the Ancillary Facilities described in this Section 3 and depicted, as applicable, on Exhibit A and

Exhibit B. The Board grants Manager a limited right to access and use the Facilities solely as necessary to perform Manager's obligations under this Agreement. Nothing in this Agreement grants Manager any leasehold or other possessory interest in the Facilities.

3.2. **Public Parking Facilities.** The "**Public Parking Facilities**" mean the following parking facilities, as further depicted on Exhibit A, which Manager shall manage in accordance with this Agreement.

3.2.1. Parking Structure. The three-story parking garage structure, which has parking capacity for approximately three hundred nineteen (319) vehicles in the short-term hourly ground level, three hundred and forty-four (344) vehicles in the long-term second level, and three hundred sixty-four (364) vehicles in the long-term third level, as well as nine hundred and sixty-six (966) square feet for storage area.

3.2.2. Short-Term Hourly Parking Lots. The two short-term hourly parking lots have capacity for approximately one hundred fourteen (114) vehicles and one hundred ten (110) vehicles, respectively.

3.2.3. Long-Term Parking Lot. The long-term parking lot has capacity for approximately one thousand eight hundred thirty-nine (1,839) vehicles.

3.2.4. Overflow Parking Lot. The overflow parking lot has capacity for approximately three hundred twenty-two (322) vehicles, with the ability to be expanded on as-needed basis subject to the approval of the Board.

3.2.5. Valet Parking Lot. The valet parking lot has parking capacity for approximately one hundred five (105) vehicles.

3.2.6. Other Parking Lots. The Public Parking Facilities also include any future parking capacity that the Board may add to the Facilities governed by this Agreement during the Term. Such lot(s) may be added on a temporary or permanent basis.

3.2.7. Changes to Public Parking Facilities. The size and parking capacity of any Public Parking Facility described in Sections 3.2.1 through 3.2.6 may be increased or decreased at the sole discretion of the Board.

3.3. **Ancillary Facilities**. The "**Ancillary Facilities**" means the following locations at which Manager shall perform the Ancillary Services, as further depicted on Exhibit B:

3.3.1. Luggage Cart. The locations within the Public Parking Facilities and the Airport terminal baggage claim area used in connection with the luggage cart services ("**Luggage Cart Facilities**").

3.3.2. Valet Booth and Valet Holding Area. The valet booth located directly across the roadway from the Airport terminal and the valet holding area adjacent to the Valet Parking Lot ("**Valet Facilities**").

3.3.3. Relocation of Ancillary Facilities. The Board may relocate any Ancillary Facility in its sole discretion without a formal amendment to this Agreement. Following any such relocation, the Board may replace Exhibit B with an updated exhibit reflecting the new location.

3.4. As Is, Where As. Manager accepts the Facilities "AS IS, WHERE AS, WITH ALL FAULTS," in their current condition, without any representation or warranty by Board, express, implied, or arising by law, including as to the Facilities' physical or environmental condition, financial performance, legal compliance, utilities, tax status, zoning, or fitness or suitability for any purpose. Manager's use of any portion of the Facilities in the performance of the Services constitutes acceptance of that portion in its then-existing condition.

SECTION 4. SCOPE OF SERVICES

The Manager shall provide the following services to the Airport (collectively, the "**Services**"):

4.1. Public Parking Services. The Manager shall provide parking management services for the Public Parking Facilities for the accommodation of the public using the Airport in accordance with the standards, terms, and conditions hereinafter set forth in this Agreement ("**Public Parking Services**");

4.2. Ancillary Services. The Manager shall provide the following ancillary services in accordance with the standards, terms, and conditions hereinafter set forth in this Agreement (collectively, the "**Ancillary Services**");

4.2.1. Luggage cart services for the accommodation of the public using the Airport ("**Luggage Cart Services**");

4.2.2. Valet parking services for the accommodation of the public using the Airport ("**Valet Parking Services**"); and

4.2.3. Other ancillary services, such as shuttle operation services (e.g., from Public Parking Facilities to/from the Airport terminal), online reservations, e-commerce, business intelligence analytics, loyalty program, and/or other services requested by the Board and agreed to by the Manager.

4.3. Reservations and Prohibitions. Manager will not sell any service or product not described in this Agreement without written consent by the Board, and Manager will not operate any off-airport parking facility that may compete directly with the Facilities identified herein without written consent from the Board.

SECTION 5. MANAGEMENT FEE

5.1. Management Fee. For the performance of the Services and other obligations under this Agreement, the Manager shall be paid an annual management fee consisting of the following amounts ("**Management Fee**"):

5.1.1. For performing the Public Parking Services, a fee of [__________________________].

5.1.2. For providing Valet Parking Services, a fee of [____________________].

5.1.3. For providing Luggage Cart Services, a fee of [_____________________].

5.1.4. For providing any other Ancillary Services in an amount agreed to by the Board and Manager in writing.

5.2. User-Paid Convenience Fee. In lieu of some or all of the Management Fee, the Board may permit the Manager to charge a "user-paid convenience fee" to the Board or to customers, on a per customer basis, for performing the Public Parking Services or providing Ancillary Services.

SECTION 6. GROSS REVENUE COLLECTION AND APPLICATION TO OPERATING EXPENSES

6.1. Collection of Gross Revenue. The Manager shall collect all Gross Revenue on behalf of Board and shall deposit, account for, and administer such Gross Revenue in accordance with this Agreement. **"Gross Revenue"** means all revenue arising from the operation of the Facilities and the provision of the Services, including all public parking fees and ancillary service charges, regardless of whether such amounts are collected, remain uncollected, are missing, or constitute lost revenue due to equipment failure, but excluding approved parking validations, sales and use taxes, and credit card processing fees.

6.2. Application of Gross Revenue. All Gross Revenue, whether credit, debit or cash, shall be and remain the property of the Board. Notwithstanding the foregoing, the Manager is authorized to and shall apply Gross Revenue to the timely payment of Operating Expenses and the Management Fee in accordance with this Agreement. The Manager shall pay all Operating Expenses when due. Following payment of Operating Expenses and the Management Fee, the Manager shall remit the resulting Net Gross Revenue to the Board in accordance with Section 7.1.

6.3. Lost Revenue.

6.3.1. If any Gross Revenue is lost, stolen, or otherwise unlawfully removed from the custody and control of the Manager, the Manager remains responsible for the revenue, and will deposit a like sum of monies in a bank account designated by the Board within forty-eight (48) hours after discovery of such loss, theft, or unlawful removal. If the loss, theft, or unlawful removal is insured or otherwise secured by the Manager, any payment made to the Board by the insurance company, bonding company, or other, will be reimbursed to the Manager.

6.3.2. The Manager will pay the Board any monies lost due to negligence, audit adjustments, unauthorized discounts, or unaccounted for transactions. The Manager will pay the Board the prevailing 24-hour charge for public parking in the applicable lots for each unaccounted-for transaction. Unaccounted-for transactions are defined as the difference between the actual transaction count, plus the transactions initiated, minus the transactions completed, and the actual following day's automobile transactions.

6.4. <u>Credit Cards</u>. The Manager shall accept Visa, MasterCard and American Express. The Manager shall not add any fees to the customers of the Airport for credit card transactions.

6.5. <u>Merchant of Record</u>. The Manager shall serve as the merchant of record for all debit and credit card transactions related to the public parking fees and service charges described herein and shall maintain all hardware and software necessary for such transactions; however, the Board reserves the right to transfer merchant of record status to the Board upon thirty (30) days' notice to Manager. The Manager, as the merchant of record and until such designation is transferred to the Board, shall comply with all applicable federal, state, and local laws, including, without limitation, consumer protection laws, payment card industry requirements, and payment card industry data security standards related to the protection of cardholder data, money transmitter laws and regulations, and airport, aviation, and security regulations applicable to such designation. The merchant of record shall be solely responsible for satisfying any sales, use, excise, or other transaction taxes imposed on the debit and credit card transactions related to the public parking fees and service charges described herein and the Board shall have no obligation to collect or remit such taxes unless required by applicable law or unless it becomes merchant of record. Manager, as the merchant of record and until such designation is transferred to the Board, shall be solely responsible for all transaction processing fees, chargebacks, refunds, card network assessments, and other merchant account obligations arising from such transactions. For clarity, Manager is solely responsible for providing a rapid approval (3-4 second maximum transaction time) credit card/debit card transaction authorization system, subject to Board approval, and ongoing funding of compliance-driven upgrades to such system. Should modifications or upgrades be required to such system to ensure that it remains Payment Card Industry Data Security Standards ("**PCI DSS**") or Point-to-Point Encryption ("**P2PE**") compliant or otherwise adhere to the data protection terms of this Agreement during the Term, such modifications or upgrades shall be funded by the Manager. Manager shall accept debit cards and credit cards (i.e., MasterCard, Visa, and American Express) as approved by the Board for payment of any charges in all Facilities. The commissions and/or fees charged to Manager by such credit and debit card companies or banks shall be an authorized deduction in computing the Gross Revenues but such amounts may not be charged to customers without approval from Board.

SECTION 7. REMITTANCE; REPORTS AND RECORDS

7.1. <u>Remittance of Net Gross Revenue</u>. Manager shall remit Net Gross Revenue to Board in semi-monthly installments. "**Net Gross Revenue**" means Gross Revenue less (a) Operating Expenses paid or accrued in accordance with Section 6.2 and (b) the Management Fee payable to Manager under this Agreement (pro-rated for the applicable period) or User-Paid Convenience Fees, if so authorized by the Board. Net Gross Revenue collected between (i) the first (1^{st}) day and fifteenth (15^{th}) day of a month shall be remitted on or before the last day of such month, and (ii) the sixteenth (16^{th}) day and last day of a month shall be remitted on or before the fifteenth (15^{th}) day of the following month. With the second remittance each month, Manager shall provide the Monthly Reconciliation Report for the preceding month Any adjustment required as a result of the Monthly Reconciliation Report shall be reflected in the second monthly remittance.

7.2. <u>Monthly Reconciliation Report and Settlement</u>. The Manager will prepare and submit a written report to the Board on or before the fifteenth (15^{th}) day of each month, in a form acceptable to the Board, that itemizes Operating Expenses incurred and paid, Gross Revenue received, the amount of Management Fee due and retained, and all other credits, adjustments, offsets, and other amounts paid or received for the preceding month as well as explanations of any discrepancies and a comparison to the Approved Budget ("**Monthly Reconciliation Report**"). The Monthly Reconciliation Report shall calculate Net Gross Revenue and identify any amounts due to or from either Party. Any amount due from the Manager to the Board shall be remitted with the Monthly Reconciliation Report. Any amount due from the Board to the Manager as reimbursement of approved costs shall be paid within thirty (30) days after the Board's receipt of the Monthly Reconciliation Report and supporting documentation.

7.3. **Annual Reconciliation Report and Settlement**. Within sixty (60) days after the end of each Agreement Year, the Manager shall deliver to the Board a written report, in a form acceptable to the Board, reconciling the aggregate Monthly Reconciliation Reports for such Agreement Year and identifying any discrepancies, adjustments, or amounts due to or from either Party ("**Annual Reconciliation Report**"). Any amount due from the Manager to the Board shall be remitted with the Annual Reconciliation Report, and any amount due from the Board to the Manager shall be paid within thirty (30) days after the Board's receipt of the Annual Reconciliation Report and supporting documentation.

7.4. **Method of Payment**. Net Gross Revenue remittance and any other amount payable by Manager to the Board will be paid by ACH to the account approved by the Board in writing, as may be modified from time to time.

7.5. **Certification of Financial Reports and Reconciliations**. Within sixty (60) days following the end of Manager's fiscal year, Manager, at its own expense, shall submit an annual financial statement certified by Manager's Chief Financial Officer ("**Annual Certified Financial Statement**"). The Annual Certified Financial Statement shall include, at a minimum, the number of parking transactions, Gross Revenue, deductions and adjustments to Gross Revenue, Operating Expenses (as hereinafter defined), permitted reimbursements and any other financial information required by the Board, which shall be arranged by category and by month for the proceeding Manager's fiscal year. The Operating Expenses and permitted reimbursements will include explanations for any discrepancies and resemble the level of detail required by Board in the monthly reporting by the Manager. If, through such Annual Certified Financial Statement, it is established that additional revenues are due the Airport, Manager shall pay such additional revenue with such statement. If through such Annual Certified Financial Statement it is established that Manager has overpaid the Airport, the Airport will reimburse Manager no later than thirty (30) days after submission of such statement.

7.6. **Accounting Records.** The Manager shall keep and maintain, throughout the entire term of this Agreement or any extension thereof, true and accurate records in accordance with generally accepted accounting principles for this type of operation and records that as from time to time may be required by the Board, including without limitation reports and underlying data. Such books of accounts and records shall be retained and available for such period of time as provided herein unless otherwise approved by the Board. The Manager shall be required to retain such records and books of account relating to the Manager's operation for five (5) years beyond the end of the Agreement termination. During this Agreement, the Manager shall not destroy any records pertaining to the operation of the Public Parking Facilities and Ancillary Facilities at the Airport without the express written permission of the Board.

7.7. **Audit**. The Board reserves the right to audit all books, records, electronic records, transaction data, and supporting documentation of the Manager relating to this Agreement. The Board shall conduct a routine audit of the Manager's books and records at least once every two (2) years during the Term of this Agreement. The Manager shall cooperate fully with the Board and its auditors and shall make all requested records available at the Manager's office located at the Airport, or electronically if requested, during normal business hours upon not less than three (3) business days' written notice. The Manager shall reimburse the Board for the actual cost of each routine biennial audit, not to exceed eight thousand dollars ($8,000) per audit. The Board reserves the right to conduct additional audits if it reasonably believes discrepancies, fraud, misappropriation, or material reporting errors may exist. If any audit reveals an underpayment, diversion, or shortage of funds equal to or greater than one percent (1%) of the amounts due to the Board for the period audited, the Manager shall reimburse the Board for the full cost of such audit and any related follow-up audits, reimburse the Board for all underpaid amounts, and pay interest on such amounts at the lesser of eighteen percent (18%) per annum or the maximum rate permitted by applicable law. The Manager shall retain all books, records, electronic records, transaction data, and supporting documentation relating to this Agreement for a minimum of five (5) years following the end of each Agreement Year.

SECTION 8. APPROVED BUDGET; OPERATING EXPENSES

8.1. Annual Operating Budget.

8.1.1. Submission and Approval. At least one hundred twenty (120) days prior to the Effective Date, the Manager shall submit to the Board for review and approval a proposed operating budget for the period beginning on the Effective Date and ending on the last day of the first Agreement Year. For each subsequent Agreement Year, the Manager shall submit a proposed annual operating budget no later than one hundred twenty (120) days before the beginning of that Agreement Year. Each proposed budget shall (i) itemize the anticipated Operating Expenses for the Services; (ii) include a proposed staffing plan identifying staffing levels, positions, and salary ranges for the Manager’s personnel assigned to perform the Services; (iii) include supporting information regarding the basis for the anticipated Operating Expenses; and (iv) include such additional information as the Board shall require. The Manager shall prepare each proposed budget and staffing plan in the form required by the Board. The Board may approve, reject, or require revisions to the proposed budget or staffing plan. The budget and staffing plan, as approved by the Board, are referred to collectively as the “**Approved Budget**.” The Manager shall operate in accordance with the Approved Budget and shall not incur any Operating Expense in excess of, or not included in, the Approved Budget without the Board’s prior written approval.

8.1.2. Operating Expenses. “**Operating Expenses**” mean the actual, reasonable, and necessary costs and expenses incurred by the Manager in performing the Services and operating the Public Parking Facilities and Ancillary Facilities that are either (i) included in the Approved Budget or (ii) otherwise approved in writing by the Board. Notwithstanding anything else herein, Operating Expenses shall not include the following items, for which expenses, Manager will be solely responsible:

(a) All licenses, permits, fees, and taxes necessary for Manager to conduct business.

(b) Manager's corporate overhead costs and expenses, such as legal, administrative, bookkeeping, executive personnel and company officials, not directly related to this Agreement.

(c) Any cost of insurance and bond coverage not directly attributable to this Agreement and the coverages within.

(d) Cost of repairs for damages caused by the intentional acts, negligence or omissions of the Manager or its employees.

(e) Travel, accommodations, and professional memberships for the Manager or its employees not directly related to this Agreement.

(f) Charitable or political contributions.

(g) Amounts due the Board because of cashier shortages or lost, stolen, or unaccounted for funds.

(h) NSF check and IOU amounts resulting from failure to use proper procedures.

(i) Any Performance Fees allowed to the Board under this Agreement.

(j) Cost of the Board biennial audit of Manager's books and records.

SECTION 9. PERFORMANCE BOND

9.1. <u>Performance Bond or Letter of Credit</u>. Manager shall post with the Board a performance bond to be maintained for the duration of the Agreement and any extension thereof in the amount of two (2) months of Gross Revenues, as projected annually as part of the budget process. Alternatively, the Manager may provide a letter of credit from Manager's banking institution or a certified cashier's check payable without recourse to the Board, to be maintained for the duration of the Agreement and any extension thereof in the amount of two (2) months of Gross Revenues, as projected annually as part of the budget process. If Manager submits a bond, then that bond shall be issued annually by a surety company acceptable to the Board. If Manager submits a letter of credit, then the lender of credit shall be issued by a financial institution acceptable to the Board. It is the responsibility of the Manager to ensure that the performance bond or letter of credit does not expire and ensure that the renewal bond or letter of credit is received by the Board before the expiration of the previous bond or letter of credit.

SECTION 10. RATES AND USER-PAID CONVENIENCE FEE

10.1. <u>Rate Schedule</u>. All rates charged for public parking and Ancillary Services at the Airport shall be determined by the Board at its sole discretion. During the Term of this Agreement, the Board shall have the right to change the rates for public parking and any Ancillary Services from time to time.

10.2. User-Paid Convenience Fee. Manager must receive prior written approval from the Board for any User-Paid Convenience Fee (1) to be charged to the Airport or to customers of the Airport and (2) the amount of the User-Paid Convenience Fee. Such request and approval may be withheld in the Board's sole discretion and shall cover both the circumstances necessitating the User-Paid Convenience Fee and the proposed amount of the User-Paid Convenience Fee. Upon thirty (30) days' notice from the Board to Manager, the Board reserves the right to modify the party to which the User-Paid Convenience Fee is charged and the approved amount of the User-Paid Convenience Fee.

SECTION 11. OPERATIONS AND STANDARDS

11.1. General Operating Standard. Manager shall provide the Services and operate, manage, maintain, and support the Facilities in a professional, safe, efficient, courteous, and commercially reasonable manner consistent with first-class airport parking and ancillary service operations and in accordance with this Agreement, the Operations Manual, Legal Requirements, and Board policies.

11.2. Facility Manager. The Manager shall designate a qualified and experienced facility manager ("**Facility Manager**") with authority to act on Manager's behalf regarding the Services and Facilities. The Facility Manager will be assigned to a duty station or office at the Airport where he or she will ordinarily be available during regular business hours, and always during his or her absence, a qualified subordinate will be in charge and available at such duty station. The Facility Manager will also be required to attend periodic meetings with Airport staff and be available to consult, assist and advise the Board and its consultants and representatives on matters pertaining to the management, operation, maintenance, planning and design of the Facilities. Upon reasonable determination that the Facility Manager is not adequately performing his or her responsibilities, the Board may require Manager to appoint a replacement within thirty (30) days after written notice.

11.3. Personnel and Staffing. Manager shall provide sufficient personnel, training, supervision, and scheduling necessary to perform the Services and meet the service standards established under this Agreement and the Operations Manual. Personnel interacting with the public shall be properly trained, professional in appearance, courteous, and identifiable by approved uniforms and name badges. Manager shall ensure all customer-facing personnel receive at least (8) hours of annual customer service training. Manager will not permit its agents or employees to engage in or to conduct business in a loud, noisy, boisterous, offensive, or objectionable manner. The Board will have the right to require Manager to increase exit booth staffing in the event consistent delays in exiting the Public Parking Facilities occur, as determined by the Board in its sole judgment. The Board will have the right to request the removal and replacement of any agent or employee of Manager that does not conduct themselves under these personnel standards or comply with the Airport's rules and regulations or applicable law, and Manager will reasonably accommodate such request, subject to applicable law.

11.4. Hours of Operation. Manager will keep the Public Parking Facilities in operation and open twenty-four (24) hours per day, every day. All Ancillary Services will be in operation according to the Board's approved times, which may be modified from time to time upon thirty (30) days' written notice to Manager.

11.5. Operations Manual. At least one hundred twenty (120) days prior to the Effective Date, Manager shall submit an Operations Manual for Board approval, which shall be based upon the operations plan submitted by Manager with its proposal submitted in response to the RFP. The "**Operations Manual**" shall govern the day-to-day operation of the Services and Facilities and shall include operational procedures, staffing plans, service standards, training requirements, emergency procedures, revenue control procedures, maintenance protocols, customer service standards, reporting requirements, and such other matters as the Board may reasonably require. The Board reserves the right to change the Operations Manual as it sees fit throughout the Term, provided that any unilateral changes will not modify this Agreement or cause the Manager to incur expenses not reimbursed by the Board. The Board has the right to approve, reject, or modify any Operations Manual provisions to be used in connection with the revenue control system or the day-to-day operations for the Public Parking Facilities or Ancillary Services. The Operations Manual is intended to be a dynamic document, reviewed and revised regularly to reflect changing situations. The Manager will manage the Public Parking Facilities according to this Agreement and the Operations Manual approved by the Board. The Operations Manual will include, but not be limited to, the following:

Hours of operations and staffing levels, including a minimum of one representative on-site at all times for customer service and a dedicated general manager
General Operating and Management Policies
Customer Service Policies
Cash Control, Accounting, and Audit Procedures
PARCS Procedures
Procedures for registering vehicles entering that do not have a license plate read
Collection procedures for exits that do not pay the calculated fee
Contingency procedures for operation in the event of the malfunction of the access control or revenue control systems
Employee Job Descriptions
Employee Training Guide
Employee Schedules
Emergency Procedures
Manager's Office Location and Cellular Phone Number
Company Personnel Policies
Procedures to Address Customer Claims for Bodily Injury or Premises Damage
Schedule for daily, weekly, and monthly communications with Airport staff
Procedure for addressing and/or replacing any inoperable equipment
Training schedule for new employees
Mystery shopper program

11.5.1.

11.6. Rates Charged. The Manager shall charge and collect the rates for the Services established by the Board. Each automobile entering the Public Parking Facilities will be charged for parking space use under the applicable category at the rates set by the Board, except to the extent directed otherwise by the Board. Individuals or automobiles entitled to discounted or free parking will be identified in a manner and method agreed by both parties and will not be charged for using the Public Parking Facilities or will receive a discounted rate, as applicable, however the use must be recorded and include in all applicable summaries and reports. In addition, the parties agree to support a parking loyalty program that may be developed with the Manager.

11.7. Communications System. The Manager will maintain a system to enable communications with the parking operation's customer service staff that will be responsive without unreasonable delay.

11.8. Transport for Customers in Need of Assistance. The Manager will maintain the ability to provide on-request transport services within the Public Parking Facilities for on-demand or pre-arranged parking customers in need of assistance. Such services are not intended as a shuttle service between the Public Parking Facilities and the Airport terminal but as transport within the Public Parking Facilities to a point nearer the Airport terminal. The Manager would perform such services through the use of an enclosed golf cart or other Board-approved vehicle.

11.9. Emergency Response. The Manager will respond to emergency situations in accordance with the emergency procedures in the Operations Manual and as directed by the Board. If any emergency arises for which there is no written procedure, the Manager will exercise the judgment of a prudent parking Manager having in mind the best interest of the Board and the public. Subsequent to the exercise of judgment due to an emergency, the Manager, within twelve (12) hours, will notify the Board in writing of the nature of the emergency and judgment made by the Manager. Subsequent to the notice, the Manager will endeavor to work with the Board to create a standard operating procedure for similar future instances.

11.10. Daily License Plate Inventory. Manager shall take a license plate inventory on a daily basis between the hours of 12:00 AM (midnight) and 6:00 AM of all vehicles on the Public Parking Facilities. The inventory shall record the license plate state, county (if available), and license plate number of each parked vehicle, and the location where each vehicle is parked. The information thus obtained shall at all times be readily available to Manager and to be retained for inspection by the Board at its request.

11.11. Daily Parking Lot Usage Summary Report. Manager shall develop a daily summary of parking lot usage (e.g., number of times (and times of day)) each parking lot was filled to capacity, number of transactions and collections, revenue collected, and other information as may be required by the Board. The summary of parking lot usage report shall be in a format approved by the Board, which shall be submitted to the Board monthly, unless otherwise approved by the Board, and at other times upon request. The Board shall reserve the right to require the Manager to add to, delete from, or modify report forms at any time during the Agreement.

11.12. Automobile Impoundment. The Manager shall provide the Board with a weekly report identifying vehicles that have remained in the Parking Facilities for more than twenty (20) consecutive days. The Manager shall not impound any vehicle without the Board's prior written approval. Upon receiving such approval, the Manager shall take the actions required by the Operations Manual and Legal Requirements to impound or remove the vehicle and shall coordinate all impoundments with the Airport. The Manager shall promptly notify the Board of all impoundments and provide the vehicle description, license plate number, impounding agency, and the date and time of impoundment.

11.13. TIBA Parking Access and Revenue Control System. Manager shall ensure that its personnel assigned to the Airport are properly trained and proficient in the operation of the Parking Access and Revenue Control System ("PARCS"), including the TIBA platform and related components. Manager shall operate, maintain, and safeguard the PARCS and ensure the accuracy and integrity of all PARCS data and transaction at Public Parking Facilities at the Airport. Manager shall develop and implement a written preventive maintenance schedule and procedure to ensure the reliable and continuous performance of all equipment contained in such PARCS. The schedule and procedures must be submitted to the Board for written approval prior to the Effective Date of this Agreement and whenever any modifications to the schedule or procedures are made. In addition, Manager shall be responsible for all necessary repairs to the PARCS. The Board reserves the right to be present during such maintenance and repair procedures, and to perform periodic inspections to assure all PARCS equipment is functioning properly and adequate safeguards appear to be in place. Manager shall maintain a log of all such procedures including date, time, identity of equipment, and name of staff member or contractor who performed the procedure.

11.14. Vehicle Tracking Software. The Manager will provide access to the Board of all reporting features from its software, if not already known by Board, sufficient to allow the Board to determine vehicles in the lot, the duration of stay, payments and method of payment.

11.15. Parking Tickets. Manager shall furnish automobile parking tickets in a form, size, color, content, and quality satisfactory to the Board and that are compliant with the PARCS in use at the Airport. Manager shall be responsible for custody of the tickets. Manager shall arrange to maintain an adequate supply of tickets on hand to meet operational needs at all times. The Board shall have the right to audit the ticket stock maintained by the Manager in storage or in the ticket dispensers at any time. Each ticket shall be stamped and electronically encoded with the dates and times of the customer's entrance into and exit from the Public Parking Facilities, a transaction number, and the amount charged. Each ticket shall be retained with all other tickets collected from the same facility during the same shift. Manager shall record the total number of tickets issued and collected by location for each shift and maintain these records for inspection and use by the Board at its request. Manager shall submit to the Board as part of the Monthly Reconciliation Report, a report of the total number of tickets issued and collected on each of the Public Parking Facilities for the preceding month. During the Agreement, the PARCS, the required tickets, and report forms may be subject to change at the Board's sole discretion.

11.16. Complaints. Manager shall be responsible for handling and responding to all complaints from the public related to operation of the Public Parking Facilities and Ancillary Services. Manager shall respond to all such complaints within seventy-two (72) hours of receipt thereof. A written response shall be provided by Manager to all written complaints. Manager shall forward to the Board a copy of each written complaint it receives and its written response at the same time such response is mailed or delivered to the customer.

11.17. Mystery Shopper Program. In conjunction with the Board, Manager shall implement a mystery-shopper program, whereby an experienced and independent firm files reports on at least a quarterly basis concerning its customer service findings based on its usage of the Public Parking Facilities and Ancillary Services. The general outline of Manager's plan shall be included in the Operations Manual.

11.18. Operational Review and Recommendations. On the first day and midpoint of each Agreement Year, Manager shall submit a report, in a form reasonably required by the Board, containing recommendations regarding operations, rates, customer service, Facility improvements, and other opportunities to enhance the Services, together with supporting analysis. Following submission of the report, the Parties shall meet to discuss the recommendations and potential implementation.

11.19. Facility Cleanliness and Appearance. The Manager will maintain the Facilities in a clean, safe, sanitary, and free from any accumulation of rubbish, litter, debris or garbage by providing janitorial, cleaning and trash removal for the assigned space and storage areas on the Facilities. Areas will be cleaned on a daily basis commensurate with traffic and assigned functions. Rubbish will be disposed of in a clean and sanitary manner by placing in approved containers. The Board reserves the right to conduct periodic inspections in order to note deficiencies in cleanliness or appearance, and deficiencies must be remedied by the Manager within a reasonable time period as agreed to by the Board. The Manager will have use of the existing trash receptacles and will provide an adequate quantity of additional or replacement trash receptacles as needed for all surface parking areas. The containers must be approved by the Board prior to purchase to ensure uniformity throughout the Airport. The Facilities will be kept free from rodent infestations by the Manager. Where rodents are found, they will be promptly exterminated by approved processes that will not be injurious to human health. After treatment, proper precautions will be taken to prevent infestations. Pest control functions must be accomplished by licensed pest control applicators.

11.20. Snow Removal. Manager shall act promptly to prevent or adequately address the accumulation of snow and ice within the Facilities, including but not limited to the adjacent sidewalks and the roof of the Parking Structure, and shall remove any accumulated snow and ice therefrom as expeditiously as possible. Manager shall not permit more than two (2) inches of snow to accumulate on the Facilities or exposed pedestrian walkways therein or adjacent thereto before initiating snow removal activity. Any ice or similar frozen coating on the Facilities' shall be treated immediately with melting or anti-skid materials upon detection. In removing snow from the Facilities, the Manager shall ensure that all public parking entrance/exit ramps and all lanes within the Facilities are plowed and cleaned full width. Snowplow piles are to be promptly removed so that patrons can park in, walk to and from, and remove their vehicles from parking spaces within the Facilities without impediment or delay. Manager shall not dump snow and ice removed from the Facilities on Airport property unless the dumping site has been approved in advance by the Board. Manager shall remove all accumulations of sand, or other anti-skid materials, from the Facilities within three (3) days of the disappearance of all snow and/or ice. Manager shall use only those deicing agents specifically approved by the Board. Manager may use sand on surfaces, but must keep it to a minimum to prevent damage to storm drainage systems. Manager, at its option, shall have the right to contract with a private firm for the purpose of snow removal on condition that Manager shall ensure that all snow and ice is removed quickly and effectively as indicated above. Every year, prior to November 1st, Manager and its contractor shall meet with the Airport staff to discuss upcoming snow removal operations and methods.

11.21. Maintenance of Facilities, Fixtures, Furniture and Equipment. Except for structural components of the Facilities (such as elevators and escalators; walls; floors; ceilings; permanent coverings or substructures of walls, floors, and ceilings; fire suppression systems; fire escapes), Manager shall maintain the Facilities and any furniture, fixtures and equipment, including but not limited to the PARCS installed therein and thereon in good working order, condition and repair, normal wear and tear excepted, free from all danger of fire and personal injury and shall refrain from activities which may destroy or damage all or any portion of the Facilities. Such maintenance by Manager of the Facilities shall include, but not be limited to, changing light bulbs, pavement seal coating, and periodic striping of parking spaces so that such spaces are clearly marked and easily visible at all times. No flammable materials other than such items and products regularly used in the conduct of Manager's business, shall be stored in the Facilities or be used for any purpose which shall increase the rate of insurance thereon. No loose wires, cables, cords, conduits or other electrical or mechanical connectors, equipment or other apparatus deemed unsightly, offensive or dangerous by the Board shall be permitted. Repair of damage caused by improper maintenance or other activities of Manager, its employees, agents, servants, or licensees will be the sole responsibility of the Manager. To further these goals, Manager agrees to make regular periodic inspections of the Facilities and the furniture, fixtures and equipment contained therein and thereon, and shall promptly inform Board of any needed maintenance or repairs required on the Facilities for which the Board is responsible.

11.22. Health and Safety. Manager shall immediately notify the Airport of any material health, safety, or security issue and shall promptly report all other health and safety issues identified in connection with the Services or the Facilities.

11.23. Advertising at the Airport. Manager shall not advertise its services in the Airport in areas other than the Facilities, unless Manager has rented such advertising space from the Board pursuant to a separate agreement, and any fees charged for rental of such advertising space shall be separate and apart from this Agreement and not reimbursable by the Board. In addition, Manager does not have the right to sell or offer third party advertising or public service displays at the Airport under this Agreement. Manager will not erect signage at the Airport without written approval from Board.

11.24. No Additional Rights; Use of Airport Name and Marks. This Agreement neither grants the Manager the right to provide or perform any other business or commercial activity at the Airport nor does it grant the Manager the right to use the trademarks, symbols, trade names or name of the Airport, either directly or indirectly, in connection with any production, promotion service or publication without the prior written consent of the Board.

11.25. Government Grants and Subsidies. The Manager will notify the Board prior to applying for any government subsidy or money grant related to the Manager's management of the Facilities.

11.26. Valet Parking.

11.26.1. Manager agrees to operate and the Board agrees to permit Manager to have the non-exclusive right to operate a valet parking service for the accommodation of the public using the Airport. The service consists of receiving vehicles from customers in front of the Airport terminal, parking the vehicles in available parking areas, offering automobile detailing services (for example, wash, wax, and other similar services), and other Board-authorized services to customers' vehicles (if any), and delivering the vehicles back to customers in front of the Aiport terminal in a manner and at locations subject to the approval of the Board. The foregoing parking and detailing services are referred to collectively herein as the "**Valet Parking Operation**".

11.26.2. Manager shall have the right to use Board-approved parking areas for the Valet Parking Operation as well as a minimum of seven (7) spaces for the receiving and returning of valet vehicles at the Airport terminal curb and a minimum of six (6) spaces in the holding area directly adjacent to the control tower, as represented on **Exhibit B**. Manager has the right to tow any vehicle that improperly uses an area designated for the Valet Parking Operation.

11.27. <u>Luggage Cart Services</u>.

11.27.1. Manager agrees to operate and the Board agrees to permit Manager to have the non-exclusive right to operate a luggage cart services for the accommodation of the public using the Airport. The services will occur at the designated Luggage Cart premises, which may be modified from time to time by the Board in its sole discretion. Such services will include but not be limited to ensuring (i) bumper guards are attached to the carts and cart wheels are inspected and repaired, (ii) signs are attached informing customers of their purpose and, if applicable, rates, (iii) there is a sufficient number of carts available at the Luggage Cart premises at all times, (iv) that carts are retrieved from the parking lots and returned to the luggage cart stations for use by the public, and, (v) in the event that the Board designates such luggage cart services will be revenue producing, then that monies from the luggage cart stations are collected and accounted for in the Gross Revenues.

SECTION 12. CHANGES IN PUBLIC PARKING FACILITIES OR SCOPE OF OPERATIONS DURING AGREEMENT

12.1. The Board reserves the right during the Agreement to: (1) change the specific locations of all or any of the Facilities to other locations at the Airport, (2) increase or decrease the size (including the number of parking spaces) of all or any of the Facilities, (3) change the types of public parking offered at the Airport or their locations; (4) change the total number and/or types of Facilities to be operated at the Airport, (5) withdraw from use of all or any of the Facilities, (6) change the location of any appurtenances, fixtures and/or equipment associated with the Facilities, (7) change or rearrange the entrances and exits, using temporarily or permanently such portions thereof as are necessary for the making of improvements and repairs to the Facilities, and for the maintenance of facilities on the Facilities, and for the installation of improvements, service roads, or other facilities necessary for the operation and maintenance of the Facilities or other areas at the Airport, (8) establish a public parking pre cashiering system, (9) set aside portions of the Facilities for special purposes other than pay public parking, *i.e.,* such areas may be set aside for the Board's or others' use and not be used by Manager for public parking as referenced herein, and the Board shall have the right to control the use of the same, including the right to tow or have towed any vehicles violating any parking restrictions, (10) withdraw from use any or all Facilities in the event of implementation of security restrictions by the Federal Aviation Administration ("**FAA**"), the Transportation Security Administration ("**TSA**"), or any other Governmental Authority with appropriate jurisdiction, and/or (11) make any other changes in the Facilities or scope of operations, which are necessary or advisable in the sole judgment of the Board.

12.2. The Board shall in all cases be the sole determiner of the number and types of public parking spaces available in the Facilities. The Board shall use commercially reasonable efforts to complete any such changes with the least possible amount of delay or disruption to Manager's operations and to give Manager notice, in writing, of any changes in the Facilities or scope of operations at least thirty (30) days prior to the effective date planned for such action.

12.3. In the event the Board develops new, expanded, or reduced public parking facilities on a temporary or permanent basis during the Term hereof, Manager will be granted a first right to manage and operate such new or expanded public parking facilities, subject to the negotiation between the Board and Manager of mutually acceptable terms and conditions. In the event the Board and Manager are unable to reach agreement on mutually acceptable terms and conditions within thirty (30) days after notice of such new or expanded public parking facilities is sent to Manager by the Board or if the Manager declines to exercise such right either by providing Board written notice indicating such or by failing to respond to such notice within thirty (30) days after receipt thereof, then the Board shall have the option to manage and operate such new, expanded, or reduced public parking facilities itself or may seek a third party to manage and operate such new, expanded, or reduced public parking facilities under a separate agreement. The capital costs to effect the implementation of any such changes initiated by the Board shall be at the Board's sole cost and expense unless negotiated otherwise. On-going expenses after implementation shall be borne by the Manager in accordance with the provisions of this Agreement if the Manager exercises its first right to manage and operate such new or expanded public parking facilities. The Board further reserves the right to provide parking areas on a temporary or permanent basis, other than the public parking facilities, to its employees, airlines and other tenants and concessionaires incidental to their businesses at the Airport. The Board also reserves the right to provide substitute areas in the event that any portion of the Public Parking Facilities is closed for repair or any other reason.

SECTION 13. CAPITAL IMPROVEMENTS

13.1. <u>Board Improvements</u>. The Board has made substantial Capital Improvements at the Airport, including but not limited to the Public Parking Facilities, Luggage Cart premises, Valet Booth and Valet Holding Area, and the Terminal Offices as well as the TIBA parking system. The Board reserves the right to make additional Improvements to the Facilities and Airport at its sole discretion.

13.2. <u>Approval Required</u>. Manager shall not alter or make any physical Improvements to the Facilities without the prior written approval of the Board, in the Board's sole and absolute discretion. Plans, specifications, and estimated costs for any Improvements shall be submitted to the Board for approval at least sixty (60) days prior to the intended commencement date of the work. Except as otherwise stated herein, any such Improvements required of or requested by the Manager and approved by the Board shall not be an Operation Expense and shall be at Manager's sole cost and expense unless determined to be reimbursable by the Board. Manager shall not deviate in any material respect from the approved plans, specifications and costs without the prior written approval of the Board. The Board shall be named a third-party beneficiary in any agreement between the Manager and a contractor related to the construction of such Improvements.

13.3. Additional Capital Investment. Manager acknowledges and agrees that the need for additional Improvements associated with the Facilities beyond those stated herein may arise during the Term hereof. Manager hereby acknowledges its willingness to participate in the financing of such Improvements, subject to the negotiation of mutually agreeable terms and conditions with the Board related to any such financing.

13.4. Completion of Improvements. Within sixty (60) days of completion of any Improvement made by Manager, Manager shall provide to the Board a written statement certifying the date of completion and the total costs of the Improvement, along with as-built drawings and/or detailed specifications for the completed work.

13.5. Title to Improvements. All Improvements furnished, purchased or supplied by the Manager shall immediately upon their substantial completion, as determined by the Board in its sole judgment, vest in, become and remain the sole property of the Board, in fee simple absolute. Manager shall not remove any portion of said Improvements during or at the conclusion of this Agreement without the prior written consent of the Board. In addition, all warranties (and, at Board's option, any service contracts) with respect to said Improvements shall automatically be assigned to the Board at such time and Manager shall take such actions, deliver such notices and execute such documents as may be necessary to effectuate such assignments.

13.6. Rights Upon Termination by the Board. In the event the Agreement is cancelled or terminated by the Board for any reason, the Board shall pay to Manager the unamortized portion of the Manager's investment in the financing of the Improvements based upon the Board-approved hard costs of the Improvements only and utilizing a ten-year depreciation schedule from the date of substantial completion of the Improvements. Manager shall be entitled to no further damages upon termination and hereby expressly waives its right to any other damages it may claim at law or equity.

SECTION 14. BOARD MAINTENANCE

14.1. Board Maintenance. Throughout the Agreement, Board, at its sole cost and expense, shall keep and maintain the portions of the Airport the Manager is not responsible for maintaining in good repair and conditions that is necessary for Manager's use and operation at the Facilities and Board shall make all Airport repairs, replacements and renewals deemed necessary by the Board.

14.2. Board's Right to Effect Temporary Closures. Manager acknowledges that, in performing its general maintenance obligations regarding the Airport, and in the exercise of Board's police power, Board shall have the right to shut down and/or suspend operations over the Facilities. Board shall endeavor to give Manager reasonable prior notice (considering all of the facts and circumstances) of all such temporary closures and the extent of same, and shall handle all such closure and maintenance on a non-discriminatory basis.

SECTION 15. PERFORMANCE FEES

15.1. Manager acknowledges its obligation to provide the public and air travelers with the level and quality of service as described herein and its desire to comply with its obligations under this Agreement. Therefore, the Board has set forth a series of fees in the attached Exhibit C attached hereto and incorporated hereby to be imposed for various performance failures and violations of this Agreement ("**Performance Fees**"). The parties agree that the Performance Fees set forth herein are reasonable, and Manger agrees to pay the Board such Performance Fees upon the occurrence of the violations indicated and written notice by the Board. Manager further acknowledges and agrees that the assessment and demand by the Board, and payment by Manager, of any such Performance Fees do not waive, limit or otherwise affect any rights or remedies of the Board as set forth in this Agreement. Manager acknowledges and agrees that the Performance Fees described herein are not punitive and shall not be construed as penalties.

SECTION 16. COMPLIANCE WITH LAWS AND AGREEMENTS

16.1. Compliance with Laws. During the Term of this Agreement, Manager, its officers, employees, agents, and all those under its control shall, at Manager's sole cost, comply with, enforce, and cause the Facilities to be in compliance with, whether or not presently contemplated, all federal state and local laws, ordinances, rules, regulations and orders (collectively "**Legal Requirements**") applicable to the Facilities or Manager's activities thereon, including without limitation, all security measures imposed by the TSA, or any other governmental entity having jurisdiction over the Facilities or the Airport, the Airport rules and regulations, as may be amended from time to time, the Airport Certification Manual, the Airport Security Program (the "**Security Program**"), any access credential requirements, any decision to remove Manager's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Manager and those governmental requirements set forth herein. If Manager, its officers, employees, agents, or those under its control, shall fail or refuse to comply with any such security measures and such non-compliance results in a monetary penalty or damages being assessed against Board by any governmental entity, then, in addition to any other remedies available under this Agreement, Manager shall be responsible for and shall immediately reimburse the Board the full amount of such monetary penalty or damages. Manager shall provide the Board with a copy of any notice, warning, summons or other legal process for the enforcement of any laws, ordinances, rules, regulations, decisions or orders materially affecting Manager's operations at the Airport within five (5) business days of receipt. Nothing in this Section shall prohibit Manager from contesting with such governmental entity as to the validity or amount of such monetary penalty or damages. Manager shall be responsible to ensure that unauthorized persons do not enter any Airport operations areas which have been or may be designated by the Board in the Security Program. Manager agrees that Airport access credentials are the property of Board and may be suspended or revoked by Board in its sole discretion at any time. Manager shall pay all fees associated with such credentials, and Manager shall immediately report to the Board any lost credentials or credentials that Manager removes from any employee or any of Manager's agents or contractors. Manager shall protect and preserve security at the Airport.

SECTION 17. ENVIRONMENTAL

17.1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed below:

- "**Environment**" means soil, air, surface water, ground water, and land.

- "**Environmental Claim(s)**" shall refer to, and include all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Substances or any release of any Hazardous Substances, pollutants, or contaminants as directed by any Government Authority, court order, or Environmental Law; (ii) bodily injury, or death of any person; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands, orders, directives or any other requirements imposed in any manner by any Governmental Authority under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment, testing, investigation, transportation and disposal of a Hazardous Substance spill, release, or discharge.

- "**Environmental Law(s)**" means any governmental law or statute, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect relating in any way to the environment, health, natural resources, safety, or any standards or conduct concerning Hazardous Substances, pollutants, or contaminants.

- "**Environmental Release(s)**" means any spill, leak, pumping, pouring, emission, discharge, injection, escape, leaching, dumping, disposing, or other entering into the Environment of any Hazardous Substance, pollutants, or contaminants at, in, by, from or related to any property leased to it by the Board, whether known or unknown, intentional or unintentional.

- "**Hazardous Substances**" means (i) oil or other petroleum products, including fuels; (ii) "hazardous substances" as defined by the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq.; (iii) "hazardous wastes" as defined by the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; (iv) any chemical substances regulated by the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; (v) "hazardous materials" as defined by the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; (vi) radioactive materials, including those subject to the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq.; (vii) asbestos or asbestos-containing materials; (viii) medical waste; and (ix) any other pollutant, contaminant, chemical, or substance within the meaning of any Environmental Law whose presence creates a hazard to human health or the environment.

17.2. <u>Hazardous Materials</u>.

17.2.1. Manager shall at all times and in all respects comply with all Environmental Laws and all local, state, and federal laws, ordinances, regulations, and orders relating to environmental protection, industrial hygiene, human health, or the use, generation, manufacture, storage, disposal, or transportation of Hazardous Substances, pollutants, or contaminants on, about, to or from the Airport and Facilities. Manager shall at all times and in all respects comply with applicable terms, conditions, and plans associated with any permits issued to the Airport under local, state, and federal Environmental Laws. Except as set forth in this Section, Manager shall assume all risk of loss and any related expenses arising out of the condition of the Facilities and the existence of Hazardous Substances, pollutants, or contaminants on the Facilities or other materials hazardous or injurious to persons or property on the Facilities, or arising out of the release of such materials by Manager, including but not limited to, risk of loss and liabilities, fines and expenses under federal, state and local Environmental Laws.

17.2.2. Manager shall promptly provide the Board with copies of all communications regarding the Facilities with any governmental agency relating to any Environmental Law or with any person with respect to any Environmental Claim. Manager shall defend, release, indemnify and hold harmless the Board, and its directors, officers, agents, representatives and employees, from and against all obligations, losses, claims (including Environmental Claims), suits, judgments, liabilities, penalties, damages, costs and expenses arising from third party claims (including reasonable attorneys' fees and expenses) of any kind or nature whatsoever that may be incurred by, or asserted against the Board, and its directors, officers, agents, representatives and employees, resulting from (i) the actual or alleged presence of Hazardous Substances, pollutants, or contaminants on the Facilities, which is caused, wholly or partially, by the Manager or its agents, employees, customers, and/ or guests, (ii) any Environmental Claim relating to Manager's use of the Facilities, (iii) the violation of any Environmental Law by Manager, or (iv) the failure of Manager to comply with the terms, conditions and covenants of this Section. Manager shall have no obligation to indemnify Board for Environmental Claims to the extent arising from or caused by environmental conditions existing on the Facilities (or property adjacent or contiguous to the Facilities) prior to Manager's occupancy of the Facilities, except to the extent that Manager's conduct gives rise to an Environmental Claim or causes Hazardous Materials to migrate or emerge onto the Facilities.

17.2.3. Manager shall be prohibited from causing any Hazardous Substances, pollutants, or contaminants to be generated, treated, stored, used, installed or disposed in, on, under or about the Facilities, except as necessary for the conduct of its permitted and lawful business in the ordinary course, and shall at all times maintain such Hazardous Substances, pollutants, or contaminants in full compliance with all Environmental Laws. If the Manager uses, generates, handles, treats or stores Hazardous Substances at the Airport, it shall have a contract in place with an EPA approved waste transport or a disposal company and shall identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport and disposal. Complete records of all disposal manifests, receipts and other documentation shall be retained by the Manager as required under applicable Environmental Laws and made available to Board for review upon request.

17.2.4. Manager shall provide to the Board copies of all applicable safety data sheets for Hazardous Substances maintained at the Airport by Manager. Manager, on behalf of itself and any agent, employee, contractor, or invitee, shall disclose in writing to the Board the types and amounts of all Hazardous Substances, if any, that are generated, processed, distributed, used, treated, kept, stored, handled, disposed of or transported in, on or about the Facilities. Without limiting the foregoing, Manager agrees to comply with all current and future Environmental Laws enacted by any applicable jurisdiction.

17.2.5. Manager shall promptly notify the Board of any Hazardous Substance, pollutants, or contaminants spills, releases, or other discharges at the Facilities and shall promptly abate, remediate, and remove any of the same in accordance with applicable Environmental Laws.

17.2.6. Manager shall be liable for and shall pay all expenses and Environmental Claims that arise out of or are caused in whole or in part by Manager's use, generation, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Substances, pollutants, or contaminants on or at the Airport and the violation of any Environmental Law. To the extent Board incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Manager's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Substances on the Airport, Manager shall promptly reimburse the Board for such reasonable costs upon demand. Manager shall comply with all applicable reporting requirements under Environmental Laws, including but not limited to those with respect to spills, releases, or discharges of Hazardous Substances at the Airport. Unless otherwise provided herein, Manager shall not be responsible for Hazardous Substances that (a) exist on the Facilities prior to the Effective Date, except to the extent that Manager either disturbed or caused such pre-existing Hazardous Materials to migrate or emerge, so as to give rise to an Environmental Claim, or (b) to the extent Hazardous Substances are generated, used, handled, treated, stored, disposed, released, discharged or transported on the Airport by the Airport's employees or personnel.

17.2.7. Manager shall, to the extent required due to Manager's use of the Facilities, obtain and maintain in full force and effect all permits, licenses, and approvals as required by Environmental Laws. Manager shall at all times comply with the terms and conditions of any such permits, licenses, approvals, notifications, and registrations.

17.2.8. Manager shall promptly provide copies of the following pertaining to Manager's use of the Facilities, promptly after each shall have been submitted, prepared, or received by Manager: (a) all notifications and associated materials submitted to any governmental agency relating to any Environmental Law; (b) all notifications, registrations, reports, and other documents and supporting information prepared, submitted, or maintained in connection with any Environmental Law or otherwise relating to environmental conditions; (c) all permits, licenses, and approvals, including any modifications thereof, obtained pursuant to any Environmental Law; and (d), within ten (10) days of issuance, any correspondence, notice of violation, summons, order, complaint, or other documents received by Manager pertaining to compliance with or liability under any Environmental Law.

17.2.9. Board shall have the right at any time, upon reasonable notice to Manager, to enter the Facilities to inspect, take samples for testing, and otherwise investigate the Facilities for evidence of compliance with Environmental Laws and/or the presence of Hazardous Substances.

17.2.10. Prior to the end of the Term or earlier termination of this Agreement, Manager shall remove or remediate in accordance with applicable Environmental Laws, all of Manager's Hazardous Substances from the Facilities, the Airport, and surrounding lands and waters. Unless instructed otherwise by the Board, Manager shall also, prior to vacating the Airport, remove all Manager's tanks, piping and other equipment which stored Hazardous Substances, or which are contaminated by Hazardous Substances, pollutants, or contaminants. The Board reserves the right to verify the environmental condition of the Facilities at the end of the Term or earlier termination of this Agreement and the Manager shall have an affirmative obligation to remediate any environmental conditions at the Manager's expense to the standard required by Environmental Laws or to the Board's satisfaction.

17.2.11. In addition to the compliance obligations described above, Manager shall at all times and in all respects comply with all generally accepted industry environmental practices and standards, applicable Environmental Laws, and the applicable Airport Environmental Policies and Procedures, including without limitation those which are included in the then-applicable Best Management Practices ("**BMPs**"), Storm Water Pollution Prevention Plan ("**SWPPP**"), Ground Water Protection Plan ("**GPP**"), and Spill Prevention Control and Countermeasure Plan ("**SPCC Plan**").

17.2.12. Manager acknowledges that the Airport is subject to the National Pollution Discharge Elimination System Program ("**NPDES**") and Federal Storm Water Regulations (40 CFR Part 122) and the Kentucky implementation of those Environmental Laws. In its operations at the Airport, Manager shall comply with all applicable provisions of NPDES, Federal and State Storm Water Regulations, and the SWPPP, as they may be amended from time to time, in accordance with all applicable Environmental Laws. To the extent required by applicable Environmental Law, Manager shall obtain and maintain in effect, a Kentucky stormwater discharge permit in its own name for activities performed by Manager.

17.2.13. Manager shall incorporate the provisions of this Section, including the obligation to indemnify Board against any Environmental Claims, into any agreement it enters into with any contractors, subtenants, customers, invitees, successors, and assigns. The Board shall be a third-party beneficiary of such agreements, with the express right to enforce the environmental covenants of any subtenant or contractual party.

17.2.14. Manager may conduct an environmental assessment to establish background levels and/or to determine the existence or lack of existence of any Hazardous Substances, pollutants, or contaminants. Manager's failure to exercise its option to have completed an environmental assessment shall create a conclusive presumption that any Hazardous Substances, pollutants, or contaminants found on the Facilities at the termination of this Agreement was caused by the Manager, who shall then be responsible for conducting any necessary remediation or removal of said contaminants. This presumption is limited to contamination that, in the judgment of the Board's Director of Engineering and Maintenance, should have been detected by a competent, independent environmental consultant exercising appropriate professional judgment, skill and care in the course of performing an environmental assessment prior to the commencement of this Agreement. Manager shall supply the Board with a copy of any such assessment upon receipt by Manager of same. Manager agrees to perform an environmental assessment at the end of the Term if requested by the Board.

17.2.15. The covenants, conditions, and indemnities in this Section shall survive termination of the Agreement.

SECTION 18. PREMISES' LIENS

18.1. <u>No Liens</u>. Manager will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Facilities, any part thereof or upon Manager's interest, which arises out of the use of the Facilities by Manager or by reason of any labor or materials furnished or claimed to have been furnished to Manager or by reason of any construction, addition, alteration or repair of any part of the Facilities by Manager. If any such lien is filed against the Facilities, within twenty (20) days after Manager's notice of the filing thereof, Manager shall cause such lien or claim to be released or discharged with respect to the Facilities by payment or bonding. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall the interest of Board in all or any part of the Facilities be subject to any construction, mechanics', materialmen's, laborers' or other statutory or common law lien for improvements or work made or done by or at the instance of Manager, whether or not the same shall be made or done with the consent of Board or by agreement between Manager and Board.

SECTION 19. RELEASE; INDEMNIFICATION; WAIVER OF CLAIMS; ASSUMPTION OF RISK

19.1. Manager's Release. Manager hereby expressly waives and releases the Board, its officers, directors, employees, representatives and agents from any cause of action or right of recovery for compensation for any and all loss or damage sustained by reason of any fire, defect, deficiency or impairments of any of the services in or to the Facilities or the Airport, except as to claims of loss or damage caused by the gross negligence or willful misconduct of the Board, its directors, officers, employees, agents, representatives, contractors or subcontractors.

19.2. Manager's General Indemnification. Manager shall indemnify, defend and hold harmless Board, and its directors, officers, agents, representatives and employees, from and against any and all liability, losses, fines, demands, damage, penalties, judgments, actions, suits, proceedings, claims, demands, assessments, costs and expenses (collectively, the "**Costs**"), including without limitation, reasonable legal fees and expenses, brought or resulting from any injuries or death to persons or damage received or sustained by a third party in consequence of, arising out of, or related to: (i) the breach of any of Manager's obligations or other default by Manager under this Agreement, (ii) the use, occupancy, and operations of Manager at the Facilities, contrary to the terms of the Agreement, (iii) any wrongful, reckless, or negligent acts or omissions of Manager or Manager's agents, contractors or employees, or (iv) violation of any other law, ordinance, order or decree related to this Agreement, in each case, except with respect to any Costs caused by the gross negligence or intentional misconduct of Board.

19.3. Waiver of Claims. Manager covenants and agrees that the Board shall not at any time to any extent whatsoever be liable, responsible, or in any way accountable for, and Manager hereby waives and releases any claim (including any claim for contractual or implied indemnity) against the Board, for any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including attorneys' fees, investigation costs, remediation costs and court costs), of any kind or nature, which (a) at any time after the date of this Agreement may be suffered or sustained by Manager arising out of Manager's use, occupancy, and operations, except for liability for damage to customer vehicles (or their contents) located on the Facilities, or (b) are caused in whole or in part by any act or omission (whether negligent, non-negligent or otherwise) of Manager, except to the extent caused by the gross negligence or intentional misconduct of the Board.

19.4. Notice of Claims. Without limiting the foregoing indemnity and waiver, each party hereto shall give to the other prompt and timely written notice of any liabilities, losses, suits, actions, claims, judgments, fines or demands of any character, coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

19.5. Property Damage. Without limiting Manager's indemnification obligations under this Agreement, Manager shall, at its sole cost and expense, promptly repair or replace, to the Board's reasonable satisfaction, any damage to the Airport, the Facilities, or other property of the Board or its tenants, concessionaires, contractors, or other service providers, to the extent caused by the acts or omissions of Manager or its employees, agents, contractors, or subcontractors. Manager shall promptly notify the Board of any such damage.

19.6. Manager's Assumption of Risk. Manager covenants that it voluntarily assumes any and all risk of loss, damage, or injury to the person or property of Manager, including all personal property of Manager, its employees, customers, invitees, and guests, which may occur in, on, or about the Facilities or the Airport at any time and in any manner, except such loss, injury, or damage as may be caused by the gross negligence or intentional misconduct of the Board.

19.7. Survival. The terms and provisions of this Section shall survive the termination or expiration of this Agreement for any accident, injury, death, or damage occurring prior to the termination or expiration of this Agreement.

SECTION 20. INSURANCE REQUIREMENTS

20.1. Commercial General Liability Insurance. The Manager shall obtain and maintain in force a comprehensive general liability insurance policy in the amount of five million dollars ($5,000,000) for individual injury and combined single incident limit for bodily injury, and property damage of four million dollars ($4,000,000).

20.2. Workers' Compensation Insurance. Manager shall also keep in force, at its expense, workers' compensation or similar insurance with a company or companies acceptable to the Board affording the required statutory coverage and containing the requisite statutory limits.

20.3. Garage-Keeper's Legal Liability Insurance. The Manager will also provide Garage-Keepers legal liability in the amount of one million dollars ($1,000,000) per accident.

20.4. Business Automobile Liability Insurance. The Manager will provide comprehensive automobile liability insurance with limits of not less than two million dollars ($2,000,000) combined single limit (each accident).

20.5. Commercial Crime Coverage or Fidelity Bond. A fidelity bond or policy covering crime, dishonesty, destruction, disappearance, with limits of at least one million dollars ($1,000,000). The fidelity bond may be replaced with fidelity insurance coverage, if such policy is deemed acceptable to the Board.

20.6. Cyber-Security Insurance. Manager shall maintain cyber-security insurance in the amount of one million dollars ($1,000,000) to mitigate losses from cyber incidents, including but not limited to data breaches, business interruption, and network damage.

20.7. Umbrella Policy. An excess umbrella policy excess over all primary coverage in the sum of ten million dollars ($10,000,000).

20.8. Additional Insurance Coverage. In the event Board requires Manager to maintain additional policy limits or provisions or requires new insurance coverage not otherwise contained herein, Manager shall acquire and maintain such insurance coverage to comply with those requirements and Manager shall provide certificates of insurance evidencing the insurance to Board.

20.9. Requirements. All insurance maintained by Manager pursuant to this Section shall provide that (i) no cancellation, material change or reduction thereof shall be effective until at least thirty (30) days after written notice thereof is given to Board (except in the event of nonpayment, in which event the notice period shall be a minimum of ten (10) days), (ii) the rights of the insured(s) to receive and collect the proceeds thereof shall not be diminished because of any additional insurance carried by Board on its own account, (iii) all losses shall be payable notwithstanding any act or negligence of Board or Manager which might, absent such agreement, result in a forfeiture of all or part of such insurance payment; (iv) be written with insurance companies authorized to do business in the Commonwealth of Kentucky and having a general policy holder rating of A- or better and financial rating of VIII or better in "Best's Insurance Guide"; and (v) all insurance policies contain a waiver of subrogation rights endorsement with respect to the Board. All liability policies required hereunder shall be endorsed to name Board and its respected directors, officers, employees, agents and representatives as additional insureds. If Manager fails to carry any insurance required to be maintained by Manager hereunder after ten (10) days written notice from Board of such failure, than such failure will constitute a default by Manager entitling Board to exercise any or all remedies available at law or in equity, including Board may obtain such insurance and the cost incurred by Board in obtaining such insurance shall be paid promptly by Manager to Board upon invoice.

20.10. Certificates. On or before the Effective Date and thereafter annually, Manager shall deliver to Board certificates of insurance evidencing the insurance required to be maintained under this Section. Manager also shall deliver to Board certificates for the renewal policies of such insurance. Manager covenants to furnish Board promptly upon Board's request copies of insurance policies required to be maintained by Manager hereunder.

SECTION 21. ASSIGNMENT

21.1. Assignment. Manager shall not assign this Agreement, in whole or part, without first obtaining Board's prior written consent, such consent to be in the Board's sole and absolute discretion. The consent of Board to any such assignment shall not operate to release Manager from any of its obligations under this Agreement (unless Board consents in writing to such release), nor shall it be deemed a consent to any other or future assignment.

21.2. Notice. In the event of a proposed assignment of all or a portion of this Agreement, Manager shall provide to Board written notice of the proposed assignee ("**Notice of Assignee**"), which shall include the name of the proposed assignee and a current financial statement of the proposed assignee, together with a proposed assignment fee of five thousand dollars ($5,000) to compensate the Board for its time and expenses incurred in connection with review of the proposed assignment (the "**Assignment Fee**"). Board, not later than thirty (30) days after receiving Notice of Assignee and the Assignment Fee, shall notify Manager in writing whether it approves or disapproves of the proposed assignee, and a failure by Board to respond within such thirty (30) day period shall be deemed a disapproval of the proposed assignee.

SECTION 22. DATA PROTECTION AND SECURITY

22.1. LFUCAB Data.

22.1.1. "**LFUCAB Data**" means information, records, documents, files, reports, photographs, electronic data, metadata, software, databases, personal data, payment card information (to the extent processed in connection with the Services), airport security information, airport operational information, parking system information, parking revenue and transaction information, customer information, access-control information, and other information provided by LFUCAB to Manager or created, collected, maintained, or processed by Manager on behalf of LFUCAB in connection with the Services. LFUCAB Data includes any copies, extracts, summaries, analyses, compilations, or derivative works thereof.

22.1.2. Manager shall maintain commercially reasonable administrative, technical, and physical safeguards designed to protect LFUCAB Data in its possession or control from unauthorized access, use, disclosure, alteration, or destruction. shall maintain reasonable business continuity, backup, disaster recovery, and incident response procedures appropriate for the nature of the Services and the sensitivity of LFUCAB Data. Upon LFUCAB's reasonable request, Manager shall provide a summary of such measures.

22.1.3. Manager shall limit access to LFUCAB Data to employees, contractors, agents, and subcontractors who have a legitimate need to access such information for performance of the Services and who are bound by confidentiality obligations at least as protective as those contained herein.

22.1.4. Upon LFUCAB's request following expiration or termination of this Agreement, Manager shall return or securely destroy LFUCAB Data in its possession or control and, upon request, certify such destruction in writing; provided, however, that Manager may retain copies required by applicable law, insurer requirements, regulatory requirements, or bona fide document-retention policies, subject to the continuing confidentiality obligations of this Agreement.

22.2. Security Incidents.

22.2.1. Manager shall notify LFUCAB without unreasonable delay, and in no event later than twenty-four (24) hours after becoming aware of a Security Incident involving LFUCAB Data. "**Security Incident**" means any actual unauthorized access to, acquisition of, use of, disclosure of, alteration of, loss of, destruction of, or inability to access LFUCAB Data.

22.2.2. Manager shall cooperate with LFUCAB in investigating and responding to the Security Incident and shall provide LFUCAB with information reasonably requested regarding the nature and scope of the Security Incident and corrective actions taken or proposed. Except as required by applicable law, payment card network requirements, insurance requirements, or governmental directive, Manager shall not notify any third party regarding a Security Incident involving LFUCAB Data without LFUCAB's prior written consent.

22.2.3. Manager shall be responsible for the reasonable costs of investigating, containing, mitigating, and responding to a Security Incident, including legally required notifications and credit-monitoring services, to the extent such Security Incident was caused by the acts or omissions of Manager or its employees, contractors, agents, or subcontractors.

22.3. Airport Security Information. Manager shall not disclose or publish airport security information, restricted-area information, access-control information, parking access credentials, security-system layouts, surveillance-system information, Sensitive Security Information (SSI), or other security-sensitive information relating to LFUCAB except as necessary to perform the Services and subject to appropriate confidentiality restrictions.

22.4. Compliance with Laws. Manager shall comply with all applicable federal, state, and local laws relating to the privacy, security, processing, storage, and disposal of LFUCAB Data and shall comply with all applicable payment card industry requirements to the extent Manager processes, stores, transmits, or has access to payment card information in connection with the Services.

22.5. Liability. Manager shall be responsible for LFUCAB's direct damages, costs, and expenses, including reasonable attorneys' fees, to the extent resulting from (i) Manager's breach of this Section 22, (ii) Manager's negligence, recklessness, or willful misconduct relating to LFUCAB Data, or (iii) Manager's violation of applicable data privacy, data security, or breach notification laws. Nothing in this Section 22 shall create strict liability or expand Manager's obligations beyond those expressly set forth in this Agreement.

SECTION 23. DEFAULTS

23.1. Defaults of Manager.

23.1.1. Manager shall be in "**Default**" if (i) Manager shall not have paid any amount payable by Manager pursuant to this Agreement when such payment is due; or (ii) Manager shall not have performed any of its obligations under the Security Program within two (2) days after notice from Board specifying the obligations that are not being performed; or (iii) Manager shall not have performed any of the other covenants, terms, conditions or provisions of this Agreement within thirty (30) days after Manager's receipt of written notice specifying such failures; or (iv) Manager files, or there is filed against Manager, a petition (which is not dismissed within sixty (60) days) in bankruptcy or a petition or answer seeking reorganization under the Federal Bankruptcy Code or any other applicable statute; or (v) an order is entered adjudicating Manager bankrupt or approving an involuntary petition seeking a reorganization of Manager under the Federal Bankruptcy Code or any other applicable statute or appointing a receiver, trustee or conservator for all or any substantial part of the property of Manager, and the order is not vacated or stayed within sixty (60) days of entry; or (vi) Manager makes a general assignment for the benefit of creditors; or (vii) this Agreement or the Facilities or any part of the Facilities is taken upon execution or by other process of law directed against Manager, or is taken upon or subjected to any attachments by any creditor of Manager or claimant against Manager, and the attachment is not discharged within sixty (60) days after its levy. Upon the occurrence of a Default, then Board shall have the remedies set forth below.

23.1.2. If Manager is in Default, Board shall have the right to pursue any one or more of the following remedies:

(i) Terminate this Agreement and recover damages as described below.

(ii) Perform any of Manager's obligations under this Agreement, and Manager shall reimburse Board within thirty (30) days after written demand for all out of pocket, documented costs incurred by Board in doing so, together with an additional administrative fee in the amount of twenty-five percent (25%) of such costs. **NOTWITHSTANDING THE AFORESAID, SHOULD BOARD DETERMINE IN ITS SOLE REASONABLE JUDGMENT THAT MANAGER IS NOT IN COMPLIANCE WITH ANY ASPECT OF THE SECURITY PROGRAM, INCLUDING WITHOUT ANY LIMITATION ANY SAFETY MANAGEMENT SYSTEM, BOARD SHALL HAVE THE RIGHT IMMEDIATELY TO PERFORM ANY OF THE OBLIGATIONS THEREUNDER AND RECEIVE REIMBURSEMENT AS PROVIDED HEREIN.**

(iii) Obtain injunctive or other equitable relief, or exercise any other remedy provided herein.

23.1.3. No notice from Board under this Agreement will constitute an election by Board to terminate this Agreement unless the notice specifically says so. Board may elect to terminate this Agreement, reenter the Facilities and take possession thereof, without prejudice to any other remedy which Board may have under this Agreement. In such event, Manager shall surrender and deliver up the Facilities to Board and upon any Default by Manager in so doing, Board shall have the right to recover possession by summary proceedings, and to apply for the appointment of a receiver or for other ancillary relief in such action. In addition, upon any such termination, Manager shall pay as damages all actual, out of pocket costs and damages arising out of Manager's default, including but not limited to, the costs associated with any termination of the Agreement, the cost of recovering possession of the Facilities, the cost of improving and hiring another concessionaire to manage the Facilities and attorneys' fees and costs.

23.1.4. No right or remedy conferred upon or reserved to Board in this Agreement is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or existing at law or in equity. No waiver or assent, express or implied, to any breach of Manager's covenants hereunder shall be deemed a waiver of any breach of any other covenants under this Agreement or a waiver of any succeeding breach of the same covenants. No waiver shall be deemed to have been given by Board's failure to enforce the terms of this Agreement strictly, including, without limitation, Board's failure to collect any sums due under this Agreement, unless such waiver shall be in writing and shall state the specific act or failure which Board has agreed not to treat as a Default.

23.2. **<u>Rights to Cure</u>.** Board shall have the right, but shall not be required, to pay such sums or do any act which requires the expenditure of monies which may be necessary or appropriate by reason of the Default of Manager. If Board elects to cure such noncompliance by Manager, all costs actually incurred by Board in curing such noncompliance, including the aforementioned administrative fee in the amount of twenty-five percent (25%) of such costs, shall be paid by Manager within thirty (30) days after written demand therefor with evidence of such costs.

23.3. Board Default.

23.3.1. It shall be a default and a breach of this Agreement by Board (a "**Board Default**") if any material covenant or obligation required to be performed or observed by it under this Agreement is not so performed or observed for a period of thirty (30) days after written notice thereof from Manager; provided, however, that if the term, condition, covenant or obligation to be performed by Board is of such nature that the same cannot reasonably be performed within said thirty (30) day period, such default shall be deemed to have been cured if Board commences such performance within said thirty (30) day period and thereafter diligently undertakes to complete the same and does so complete the same within a reasonable period following receipt of Manager's notice.

23.3.2. Upon the occurrence of any Board Default, Manager shall have all rights and remedies available at law or in equity, including suing for injunctive relief or to recover damages for any loss resulting from the breach. In addition, Manager shall have the right, but shall not be required, to pay such sums or do any act which requires the expenditure of monies which may be necessary or appropriate by reason of the Board Default. If Manager elects to cure such noncompliance by Board, all reasonable costs actually incurred by Manager in curing such noncompliance shall be paid by Board within thirty (30) days after written demand therefor with reasonable evidence of such costs.

SECTION 24. SURRENDER

At the expiration or earlier termination of the term of this Agreement, Manager shall yield the Facilities to Board and the Improvements and any other leasehold improvements shall remain the sole property of Board at the expiration of the Term without any compensation to Manager, except as otherwise expressly set forth herein, and free and clear of any right, title, interest, claim or demand of Manager or of anyone claiming through or under Manager. Manager shall deliver the Facilities to Board, normal wear and tear excepted. Manager agrees to execute such reasonable documents and instruments of conveyance as may be reasonably required by Board to confirm such ownership in the Board. Upon expiration or earlier termination of this Agreement, Manager may remove any of Manager's trade fixtures, furniture, furnishings, and other personal property from the Facilities and Manager shall repair any damage which may result to the Facilities from such removal. In the event Manager fails to remove those items, the items shall be deemed abandoned and shall be the property of Board.

SECTION 25. WITHDRAWAL

Board reserves and will have the right at any time during the Term of this Agreement, in its sole discretion, and regardless of whether or not the Manager has breached this Agreement or has been or then is in default: (i) to withdraw any portion of the Facilities from this Agreement, terminate or cancel this Agreement with respect to the portion(s) of the Facilities so withdrawn and any services associated with that portion of the Facilities, and to reoccupy the portion(s) of the Facilities thereunder in the best interest of the public as determined by the Board and (ii) to cancel or terminate any management fee due to the Manager associated with the portion(s) of the Facilities and any associated services on the Facilities so withdrawn. Board will give the Manager written notice of any such withdrawal and Board's intent to cancel or terminate this Agreement as to the portion of the Facilities so withdrawn not less than sixty (60) calendar days prior to the effective date of such cancellation or termination. The Manager shall not be entitled to any claim or relief against Board for Board's withdrawal of Facilities and cancellation or termination of management fee associated with the withdrawn Facilities and any associated services.

SECTION 26. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

26.1. Agreement to Preserve Board's Compliance. This Agreement shall be interpreted to preserve Board's rights and powers to comply with Board's federal and other governmental obligations.

26.2. Subordination to Board's Government Commitments. This Agreement is subordinate to the provisions of any agreement between Board and the United States or other governmental authority (regardless of when made) that affects the Airport, including but not limited to, agreements governing the expenditure of federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of Board entering any agreement or participating in any program applicable to the Airport (including but not limited to, those providing funding), Manager agrees to consent to any such modification. If a governmental authority determines that any act or omission of Manager has caused or will cause Board to be noncompliant with any of Board's government commitments (including but not limited to, any assurances or covenants required of Board or obligations imposed by law), Manager shall immediately take all actions that may be necessary to preserve Board's compliance with the same. Without liability to Board, Board shall have the right to terminate this Agreement and reenter and repossess any portion of the Facilities if the U.S. Department of Transportation or other federal governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Manager by such authority.

SECTION 27. BOND INDENTURE AND SUBORDINATION

27.1. This Agreement and all rights granted to Manager hereunder are expressly subject and subordinate to the lien and provisions of the pledges, transfers, hypothecations or assignments made by the Board in that certain trust indenture dated November 1, 2008 concerning the issuance of bonds by the Board (the "2008 Indenture"), as the same may be amended, supplemented, modified and/or restated from time to time.

27.2. Manager understands that the Board is the issuer of such bonds. Manager specifically acknowledges and agrees that this Agreement is expressly subject to the 2008 Indenture, as the same is now in effect and may from time-to-time hereafter be amended. The Board expressly reserves the right to make such pledges and grant such liens and enter into covenants as it may deem necessary or desirable to secure and provide for the payment of bonds, including the creation of reserves therefor, and including the granting of mortgages, indentures or ground leases on all or part of the Airport, including the Facilities.

27.3. The Board expressly reserves the right to enter into any trust indenture or other agreement for the issuance of bonds or financing of capital projects at the Airport, and Manager agrees that this Agreement and all rights granted to Manager hereunder will be subject to any such lien and provisions of the pledges, transfers, hypothecations or assignments made by the Board in any such trust indenture or financing agreement.

27.4. This Agreement and all rights granted to Manager hereunder will be subordinated to any future mortgage, indenture, or ground lease given to secure or provide for payment of bonds or other financing, and all amendments thereto. This provision will be self-executing, and no other writing will be required to affect such subordination. However, upon the request of the Board's lender or bond trustee, Manager will execute and deliver a subordination, non-disturbance and attornment agreement in a form reasonably satisfactory to said lender or bond trustee.

SECTION 28. AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE

28.1. The Board has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with the regulations of the U.S. Department of Transportation (USDOT), 49 CFR Part 23. <u>The ACDBE concession specific goal is zero percent (0%)</u>. The Board and Manager agree to modify this goal percentage at a future date, subject to applicable legal requirements.

28.2. Manager 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 Title 49 CFR Part 23.

28.3. Manager agrees to include the statement set forth in the paragraph above in any subsequent concession agreement or contract covered by Title 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements. Manager or its subcontractors will not discriminate based on race, color, national origin, or sex in the performance of this agreement. Manager will carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Manager to carry out these requirements is a material breach of this agreement, which may result in the termination of this agreement or such other remedy as the recipient deems appropriate, which may include, but is not limited to: (1) Withholding monthly progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying the Manager from future bidding as non-responsible.

SECTION 29. FAA REQUIRED CONTRACT PROVISIONS

29.1. <u>Civil Rights – General</u>.

29.1.1. In all its activities within the scope of its airport program, the Manager agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

29.1.2. If the Manager transfers its obligation to another, the transferee is obligated in the same manner as the Manager. The above provision obligates the Manager for the period during which the Facilities is owned, used or possessed by the Manager and the airport remains obligated to the FAA.

29.2. Title VI Solicitation Notice. The Manager, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4), 28 CFR § 50.3, and 49 CFR Part 21, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, all contractors will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of the owner's race, color, national origin, sex, creed, age, or disability in consideration for an award.

29.3. Title VI Clauses for Compliance with Non-Discrimination Requirements. During the performance of this Agreement, the Manager, for itself, its assignees, and successors in interest, agrees as follows:

29.3.1. Compliance with Regulations. The Manager (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

29.3.2. Nondiscrimination. The Manager, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin, creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Manager will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

29.3.3. Solicitations for Subcontracts, including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding or negotiation made by the Manager for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Manager of the Manager's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

29.3.4. Information and Reports. The Manager will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Board or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Manager will so certify to the Board or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

29.3.5. Sanctions for Noncompliance. In the event of a Manager's noncompliance with the non-discrimination provisions of this contract, the Board will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to: (i) withholding payments to the Manager under the contract until the Manager complies; and/or (ii) cancelling, terminating, or suspending the contract, in whole or in part.

29.3.6. Incorporation of Provisions. The Manager will include the provisions of Sections 28.3 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Manager will take action with respect to any subcontract or procurement as the Board or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Manager becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Manager may request the Board to enter into any litigation to protect the interests of the Board. In addition, the Manager may request the United States to enter into the litigation to protect the interests of the United States.

29.4. Title VI Clause for Transfer of Real Property Acquired or Improved Under the Activity, Facility or Program. The Manager, for itself, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Manager will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities. In the event of breach of any of the above Nondiscrimination covenants, the Board will have the right to terminate this Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if this Agreement had never been made or issued.

29.5. Title VI Clause for Construction/Use/Access to Real Premises Acquired under the Activity, Facility or Program. The Manager, for itself, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Manager will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities. In the event of breach of any of the above Non-discrimination covenants, the Board will have the right to terminate this Agreement and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued.

29.6. __Title VI List of Pertinent Nondiscrimination Acts and Authorities__. During the performance of this Agreement, the Manager, for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities, including but not limited to:

29.6.1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

29.6.2. 49 CFR Part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964) including amendments thereto;

29.6.3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

29.6.4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

29.6.5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

29.6.6. Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

29.6.7. The Civil Rights Restoration Act of 1987 (P.L. 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

29.6.8. Titles II and III of the Americans with Disabilities Act of 1990(42 U.S.C. § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

29.6.9. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, et seq).

SECTION 30. MODIFICATIONS FOR GRANTING FAA FUNDS; DEED AND RESTRICTIONS

In the event that the FAA requires, as a condition precedent to granting of funds for improvement to the Airport, modifications or changes to this Agreement, Manager agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions or requirements of this Agreement, as may be required to enable the Board to obtain such FAA funds provided, however, that in the event such changes materially impair the right of Manager hereunder, Manager will have the right to terminate the Agreement upon sixty (60) days prior written notice to the Board.

SECTION 31. NOTICES

Any notice given under the provisions of this Agreement will be in writing and will be delivered personally or sent by tracked mail to:

<u>To Board</u>:
Lexington-Fayette Urban County Board
Attn: President & CEO
4000 Terminal Drive, Suite 206
Lexington, Kentucky 40510

<u>To Manager</u>:
____
____
____
____

Of such other respective addresses the parties may designate to each other in writing from time to time. Notice by tracked mail will be deemed given on the date that such notice is deposited in a U.S. post office. Any time the consent of the Board is required under the terms of this Agreement, such consent must be in writing and shall be in the sole discretion of the Board unless expressly provided otherwise in this Agreement. The President & CEO of the Board shall be the Airport Board's representative for all notices, consents, approvals, demands or requests under this Agreement and Manager may rely on notices, consents, approvals, demands or requests made by the President & CEO of the Board, as being acts of the Board.

SECTION 32. MISCELLANEOUS

32.1. <u>Non-Exclusivity</u>. The Board specifically reserves the right to grant to others the rights and privileges granted to Manager. This Agreement is nonexclusive. Manager has no easement, rights, or privileges, express or implied, other than those specifically granted by this Agreement. It is understood and agreed to that the rights and remedies of the Board and the Manager specified are not intended to be and shall not be exclusive of one another or exclusive of any common law right of either party hereto.

32.2. Independent Contractor. Manager will be regarded as an independent contractor and Manager will not act as agent for or of the Board.

32.3. Non-Interference. Manager will conduct its operations so as not to interfere with, impinge upon, delay or hinder the operations of the Board, the Airport, or any other Manager operating in or at the Airport.

32.4. Force Majeure. In computing any time within which either party is obligated to cure any default, there will be excluded all delays directly impacting the closure of the Airport due to acts of God, a nationally declared pandemic, the public enemy or act of terrorism, or by order, direction or other interference by or because of any action taken, except actions directly against the Manager, by any municipality, state, federal or other governmental body, court, board or commission, having jurisdiction.

32.5. Forfeiture. No cancellation or termination of this Agreement in accordance with the rights of either party to cancel or terminate shall be considered a forfeiture, such rights being a part of the consideration for this Agreement and of the essence hereof.

32.6. No Third-Party Beneficiaries. The Board and Manager agree and intend that nothing contained in this Agreement will be construed to be a benefit conferred upon a third party not a party to this Agreement. All rights inure, all obligations remain and all remedies are available solely to the Board and Manager as parties to this Agreement.

32.7. Written Consent Required. In all instances in this Agreement where consent or approval of one party is required for action by the other party, such consent will be in writing.

32.8. Attorneys' Fees. In any action brought by either party for the enforcement of the obligations of the other party, the prevailing party will be entitled to recover costs of such litigation, including reasonable attorneys' fees at trial and appellate levels.

32.9. Governing Law. This Agreement will be governed by the laws of the Commonwealth of Kentucky, regardless of the principles of conflicts of laws applied by Kentucky or any other jurisdiction.

32.10. Choice of Venue. Any suit brought by any party hereto shall be brought only in the United States District Court for the Eastern District of Kentucky (Lexington Division) or the Fayette Circuit Court. Each party consents to the personal jurisdiction of such courts and waives any objections based upon the convenience of such forum.

32.11. Agent for Service of Process. If Manager is not a resident of the Commonwealth of Kentucky, or is an association or partnership without a member or partner resident of Kentucky, or is a foreign corporation, then Manager does hereby designate its Commonwealth of Kentucky registered agent as its agent for the purpose of service of process in any court action between it and Airport Board arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the Commonwealth of Kentucky by serving Manager's registered agent. The parties hereto expressly agree, covenant, and stipulate that Manager shall also personally be served with such process to Manager at the registered mailing of such complaint and process to Manager at the address set forth herein. Any such service out of this State shall constitute valid service upon Manager as of the date of receipt thereof. Manager hereby agrees to the process so served, submits to the jurisdiction, waives any and all obligations and protests thereto, any laws to the contrary notwithstanding.

32.12. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the parties hereto, but this provision will not be considered a consent by Board for its approval rights of a successor entity to Manager.

32.13. Estoppel Certificate. From time to time, upon not less than twenty (20) days' prior written request by the Board, Manager will deliver to the Board a statement in writing certifying, to the extent correct and accurate: (i) that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Agreement as modified is in full force and effect); (ii) that the Board is not in default under any provision of this Agreement, or if in default, the nature thereof in detail; and (iii) such further matters as may be reasonably requested by the Board, it being intended that the parties may rely upon such statements.

32.14. Severability. If a provision hereof is finally declared unenforceable or illegal by any court or administrative agency having jurisdiction, the entire Agreement will not be unenforceable, but the remaining provisions will continue as nearly as possible in accordance with the original intent of the parties.

32.15. Time is of the Essence. Time is of the essence for the performance of the Manager's obligations under this Agreement.

32.16. Entire Agreement and Amendment. This Agreement, together with recitals and all exhibits attached hereto, which recitals and exhibits are incorporated herein by reference, constitutes the entire agreement between the parties hereto, and any other representations or statements heretofore made, verbal or written, are merged herein. This Agreement may be amended only in writing, except as otherwise provided herein, executed by duly authorized representatives of the parties hereto.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the dates set forth below.

LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD

By: ____

President & CEO

Date:_______________________________________

[MANAGER]

By: ____

[President]

Date:_______________________________________

Approved for the Board as to legality of form and content:

____

[Legal Counsel]

EXHIBIT A

PUBLIC PARKING FACILITIES (DRAFT)

EXHIBIT B

LUGGAGE CART,VALET BOOTH, ANCILLARY FACILITIES

(to be finalized after award)

EXHIBIT C

PERFORMANCE FEES

Violation	Amount per Day
Section 7 Records not in compliance with approved standards	$100
Section 7.1 Late semi-monthly Gross Revenues submittals	$1,000
Section 7.2 Late monthly reconciliation report	$1,000
Section 7.3 Late annual reconciliation report	$100
Section 7.5 Failure to timely submit annual certified statement.	$100
Section 9.1 Early expiration of performance bond or letter of credit	$1,000
Section 11 Failure to abide by service standards	$100
Section 11.11 Late monthly parking lot usage report	$250
Section 11.19 Failure to keep premises clean and/or rubbish disposed of	$100
Section 11.21 Failure to maintain premises (maintenance, repair, replace)	$250
Section 23.1 Material defaults by Manager	$250
Section 28 ACDBE non-compliance	$250