

CITY OF ANNAPOLIS MANAGEMENT AGREEMENT

This MANAGEMENT AGREEMENT (this "**Agreement**") is made and entered into as of the day 23 of February 2016, by and between THE CITY OF ANNAPOLIS, MARYLAND, a municipal corporation of the State of Maryland (the "**City**"), and CENTRAL PARKING SYSTEM OF MARYLAND, INC., a Tennessee corporation (the "**Operator**").

RECITALS:

WHEREAS, the City issued Request for Qualifications 15-11 and Request for Proposal 15-11, as amended (collectively, the "**RFP**") seeking proposals from qualified operators to provide Integrated Parking Operations and Management Services in Annapolis, Maryland; and

WHEREAS, the Operator submitted a series of proposals dated March 11, 2015, July 29, 2015, October 19, 2015 and January 4, 2016, and any amendments or revisions thereto (collectively, the "**Proposal**") in response to the RFP; and

WHEREAS, the City subsequently selected the Operator as the successful bidder to the RFP and awarded the RFP to the Operator; and

WHEREAS, the Operator, hereby covenants and agrees to perform all services and/or deliver all goods, in strict and entire conformity with the RFP and the Proposal (collectively, the "**Bid**"); and

WHEREAS, the parties desire to reduce their understandings to this Agreement.

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

1. **INCORPORATION OF RECITALS.** The forgoing recitals are true and correct and are hereby incorporated into this Agreement.

2. **TERM.** The initial term of this Agreement shall be for four (4) months commencing on March 1, 2016 (the "**Commencement Date**") and continuing through and including June 30, 2016 (the "**Initial Term**"), unless terminated earlier as provided in this Agreement. Thereafter, this Agreement shall automatically renew for ten (10) additional one (1) year periods from July 1, 2016 through and including June 30, 2026, unless terminated earlier as provided in this Agreement (the "**Renewal Term**"). The Initial Term and the Renewal Term are collectively referred to as the "**Term.**" Thereafter, this Agreement shall automatically renew from year to year until either party gives written notice of non-renewal at least sixty (60) calendar days prior to expiration of the Term or the then-current renewal term, or unless terminated earlier as provided in this Agreement. The term "**Contract Year**" shall mean the twelve (12) consecutive months commencing and running with the City's fiscal year (July 1st – June 30th).

3. **SCOPE OF SERVICES.** The City hereby grants to the Operator, and the Operator hereby accepts the exclusive right and obligation of providing the following services in strict compliance with the Bid (collectively, the "**Services**"), and expressly subject to the Budget, as defined in Section 4 of this Agreement:

(a) The Operator shall manage and operate the five (5) parking facilities described in Exhibit A, attached to and incorporated into this Agreement, which are located in Annapolis, Maryland 21401 (each a "**Facility**" and, collectively, the "**Facilities**"). The Operator shall render the usual and customary services incidental thereto in a professional, businesslike and efficient

manner. The Operator shall remotely monitor the Facilities from the Operator's off-site call center in order to assist parking customers with their use of the parking and revenue control equipment at the Facilities and to provide other basic customer service support (collectively, the "**Remote Management Service**"). The Operator shall also provide sufficient staff to be physically present at the Facilities in order to render the Services as described in the Bid, including porter service and ambassador staff members. The City reserves the right to establish hours of operation and parking rates for the Facilities, as further described in Exhibit A.

(b) The Operator shall manage and operate the various on-street metered parking spaces listed in Exhibit B, attached to and incorporated into this Agreement (each a "**Metered Space**" and, collectively, the "**Metered Spaces**"), including the corresponding single-space and multi-space parking meters for use of the Metered Spaces (each a "**Meter**" and, collectively, the "**Meters**"). The City reserves the right to establish hours of operation and parking rates for the Facilities, as further described in Exhibit B.

(c) The Operator shall provide and manage a parking enforcement program (the "**Enforcement Program**"), in accordance with the specifications set forth in Exhibit C, attached to and incorporated into this Agreement.

(d) The Operator shall manage the City's residential parking permit program (the "**Permit Program**"), in accordance with the specifications set forth in Exhibit D, attached to and incorporated into this Agreement.

(e) The Operator shall provide a mobile payment platform (the "**Mobile Platform**") in accordance with the specifications set forth in Exhibit E, attached to and incorporated into this Agreement.

(f) The Operator shall provide valet parking services (collectively, the "**Valet Services**"), in accordance with the specifications set forth in Exhibit F, attached to and incorporated into this Agreement.

(g) The City shall continue to provide and manage its currently existing shuttle bus service (the "**Shuttle Service**") to transport passengers within the City through June 30, 2016, at the City's sole cost and expense. During that same period, and as an Operating Expense, the Operator shall analyze and study the Shuttle Service, and shall provide the City with written recommendations for improving the Shuttle Service no later than June 30, 2016, including recommended days, hours, routes, intervals and other specifications (collectively, the "**Recommendations**"), to be set forth in Exhibit G, which shall be attached to and incorporated into this Agreement upon mutual written agreement by both parties. On July 1, 2016, pursuant to the Change Order process outlined in Section 34, the Operator shall assume sole responsibility for providing and managing the Shuttle Service, as an Operating Expense, and in accordance with the Recommendations and the Budget. If the Operator is unable to assume sole responsibility for providing and managing the Shuttle Service starting July 1, 2016, then the City shall continue to perform such functions but all associated costs for the Shuttle Service shall be deducted from the Budget accordingly until such time as the Operator is able to assume such functions as documented pursuant to the Change Order process outlined in Section 34.

(h) The Operator shall provide branding, website, public relations and marketing services for the Services in accordance with the specifications set forth in Exhibit H, attached to and incorporated into this Agreement (collectively, the "**Marketing Services**"). The Marketing Services shall promote the availability of the Services using an appropriate mix of sales channels,

including the Operator's own websites, and third party marketing providers, as approved by the City in writing from time to time.

(i) The Operator shall provide consulting services to the City, as the City may reasonably request from the Operator, in connection with all aspects of the Services and in accordance with the specifications set forth in Exhibit I, attached to and incorporated into this Agreement (collectively, the "**Consulting Services**").

(j) The Operator shall not display or post any lettering, signs, or postings of any kind in or about the Facilities, the Metered Spaces, or the City limits generally without the prior written approval of the City, which approval shall not unreasonably be withheld.

(k) The Operator shall recruit, employ, train and properly supervise all personnel necessary for the smooth and efficient operation of the Services pursuant to this Agreement and the Bid. The Operator shall provide minimum staffing levels as provided in the Bid or as otherwise mutually agreed to by the parties in writing. The Operator shall ensure that its personnel will be neatly uniformed and courteous to the public. The City may reasonably require the Operator to remove any personnel from employment at a Facility within thirty (30) calendar days of written request, who the City reasonably deems incompetent, careless or otherwise objectionable, or whose continued employment is contrary to the City's best interest, subject to the requirements of any collective bargaining agreement that the Operator may be subject to.

(l) The Operator shall perform background checks, as an Operating Expense, for any personnel working at any Facility that includes verification of social security numbers and prior employment histories, checking of motor vehicle records and criminal backgrounds, and performance of drug screening in compliance with state, local and federal laws. Any costs incurred by the Operator to perform these background checks shall be considered an Operating Expense and included in the Budget, both as defined in Section 4 of this Agreement.

(m) The Operator shall collect parking fees from customers using the Facilities and the Metered Spaces throughout the Term, and in accordance with this Agreement and the Bid. If the City requests the Operator to establish or honor non-prepaid validation programs with the City's tenants or other third parties, the Operator shall do so but shall not be legally responsible for reporting any uncollectible receivables in connection with such non-prepaid validation programs to any applicable governmental agencies.

(n) The Operator shall advise and cooperate with the City in the City's development and implementation of rules and regulations applicable to the Services, and the Operator agrees to observe and comply with, and cause its personnel to observe and comply with, all reasonable written rules and regulations adopted from time to time by the City with respect to the Services.

(o) The Operator may suggest new services or products to the City, for the City's consideration, from time to time that may enhance the Services or serve the public interest, pursuant to the Change Order process outlined in Section 34.

(p) The Operator shall not perform any Services or other work, or incur any expenses or costs, which exceed the Budget, and the City shall not be obligated to pay any expenses, costs or other charges that exceed the amount of the Budget as further defined in Section 4 of this Agreement. In addition, the Operator shall not be obligated to use its own funds to perform any Services or other work, or incur any expenses or costs that are within the amount of the Budget, or for changes that are not approved pursuant to the Change Order process outlined in Section 34.

4. **BUDGET; OPERATING EXPENSES.**

(a) Expressly and strictly subject to the City Council's approval and appropriation of sufficient funds, the Operator shall prepare and deliver to the City by January 1st of each Contract Year a proposed budget for that Contract Year reflecting the Gross Receipts and Operating Expenses, both as defined herein, that the Operator expects to receive and incur, respectively, during that forthcoming Contract Year (each a "**Budget**" and collectively, the "**Budgets**"). If a proposed budget for any Contract Year is not approved and appropriated by the City Council by close of business on June 30th of the prior Contract Year, the Operator shall continue to provide the Services pursuant to the last City-approved Budget, and the City shall use reasonable efforts to get such proposed budget properly approved and appropriated in a timely manner.

(b) Pursuant and expressly subject to the Budget, the City shall pay the Operator for all expenses, charges and administrative costs incurred and properly reported/invoiced by the Operator in the performance of the Services and its other duties and obligations under this Agreement (collectively, the "**Operating Expenses**"). The Operating Expenses shall include only those expenses, charges and administrative costs specified in the Budget, including: salaries and wages and associated payroll burden (including, without limitation, payroll taxes and fringe benefits); licenses and permits; first month's change funds/petty cash advanced by the Operator (if applicable); compliance with governmental laws, regulations and payment card industry standards; uniforms, supplies, tools and cleaning; maintenance and repair to be performed by the Operator; mystery shopping services; a Remote Management Service charge; telephone; utilities (except to the extent paid directly by the City); a monthly charge for Marketing Services; costs for public relations related to the Services; expenses related to retail space(s) for collections related to the Services; travel expenses for out-of-town Operator personnel providing Consulting Services, as requested by the City; employee recruitment, training and ongoing employee relations; computerized accounts receivable service; credit card system services; postage and freight; tickets, paper and reporting forms; accounts payable and insurance claims processing; health insurance, workers' compensation insurance, general liability insurance and comprehensive crime insurance coverage at rates contained in the Budget; and deductibles established by the Operator for insured losses attributable to the Facilities. The Operating Expenses shall be paid by the City pursuant to Sections 7 and 8 of this Agreement.

(c) If at any time during the Contract Year it appears to the Operator that the actual total of all Operating Expenses likely to be incurred will exceed the Budget, the Operator shall immediately advise the City in writing, and the parties shall discuss what actions, if any, may be implemented to minimize Operating Expenses without substantially impairing the Services. Any increase to the Budget shall require a Change Order, as defined in Section 34 of this Agreement.

(d) If Operating Expenses increase due to any governmental action imposing or increasing (i) employer-provided medical insurance or other benefits, (ii) workers' compensation rates, or (iii) federal, state or local minimum wage or living wage rates, then the Operator shall provide the City with written notice of any such imposition or increase, and shall request a change in the Budget through a Change Order, as defined in Section 34 of this Agreement.

(e) Operating Expenses shall not include (i) the costs of maintenance and repair required by the City pursuant to Section 16 of this Agreement, or (ii) the City's various costs associated with its ownership and/or occupancy of the Facilities, including without limitation depreciation, building insurance, real estate taxes and assessments, taxes on the City's personal property, debt retirement (including without limitation mortgage interest), rent and such costs and expenses as may be necessitated to comply with the Americans With Disabilities Act of 1990. Payment of such expenses and costs are the sole obligation of the City.

(f) Unless otherwise provided in this Agreement, the Operator shall provide and pay, as an Operating Expense, for all labor, materials, tools, parts, equipment, transportation, and other services necessary to provide the Services required under this Agreement and the Bid. The City shall not pay any monies toward the provision or operation of the Services, except as specified and approved in the Budget and reported/invoiced pursuant to Section 7 of this Agreement.

5. GROSS RECEIPTS; SALES TAX; MONTHLY ADVANCES.

(a) For purposes of this Agreement, "**Gross Receipts**" shall mean all cash earned and collected by the Operator for the parking and storage of motor vehicles at the Facilities and the Metered Spaces, whether on an hourly, daily, weekly, or monthly basis, less all City-approved refunds, discounts and allowances made by the Operator to its customers.

(b) All Gross Receipts from every source including credit cards (whether processed on-line or on-site), debit cards, ACH transfers or checks for monthly parking sent to the Operator's lock box account, shall be deposited by the Operator directly into the Operator's bank account (the "**Deposit Account**"). Gross Receipts shall be reconciled by the Operator and then deposited by the Operator into a City-designated bank account (the "**City Account**") on a regular basis but not more frequently than weekly in accordance with the City's written instructions including identification of the name and account number for such account. The Operator shall be given access to the City Account for purposes of deposits and reconciliation only. The Operator for purposes of the Deposit Account shall be considered the "merchant of record" and shall be liable for compliance with the Payment Card Industry's Data Security Standard, as currently in effect and as may be amended from time to time ("**PCI DSS**"). Any credit card fees or other bank fees in connection with the Deposit Account, the City Account and/or Gross Receipts shall be considered Operating Expenses and paid by the City only to the extent that they are included in the Budget.

(c) As an Operating Expense, the Operator shall be responsible for payment directly to the tax collector of any applicable sales, parking, use, excise, gross receipts or other taxes or charges due the taxing authorities (the "**Sales Tax**") based on Gross Receipts collected by the Operator. The City shall be responsible for payment directly to the tax collector of the Sales Tax on any cash collected by the City or its agents (expressly excepting the Operator). The Operator shall immediately notify the City in writing of any Sales Tax for which it knows or reasonably believes the City to be responsible for payment. In addition, and subject to the terms in this subsection, each party agrees to defend, indemnify and hold harmless the other party with respect to any and all loss, costs (including attorney's fees), penalties, and all other liability whatsoever arising out of any breach of the respective Sales Tax payment obligations set forth herein; provided, however, that any indemnification by the City shall only be to the extent permitted by the laws of the State of Maryland, subject to existing appropriations and/or available insurance coverage, and expressly subject to the provisions of Section 5-301 *et seq.* of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, as may be amended.

(d) Any costs associated with the collection of any monthly parking shall be billed to the City separately as Operating Expenses, and shall be paid by the City only to the extent that they are included in the Budget.

(e) The Operator shall perform an annual reconciliation (each a "**Reconciliation**") of all aggregate amounts collected in connection with the Services and this Agreement at the end of each Contract Year, and shall provide the City with a written copy of such Reconciliation within fifteen (15) calendar days from the end of the applicable Contract Year. If any Reconciliation demonstrates a shortage that exceeds Six Thousand Dollars (\$6,000.00), which shortage is

caused in whole or in part by the Operator's, or its employees', contractors' or agents' conduct, behavior or negligence, then the City shall have the right either to deduct such amount from any monies due and owing to the Operator and/or to invoice the Operator for payment of such amount within thirty (30) calendar days of receipt of invoice.

(f) At least ten (10) calendar days prior to the start of each month during the Term, the City shall advance to the Operator one-twelfth (1/12) of the total amount of the Operating Expenses in the Budget for that Contract Year, less any specified reserve (each a "**Monthly Advance**" and collectively, the "**Monthly Advances**"). Within thirty (30) calendar days after the end of each calendar quarter, the Operator shall perform a quarterly reconciliation of the Monthly Advances received during such calendar quarter and the actual amount of Operating Expenses for such calendar quarter, and any surplus shall be remitted to the City along with a copy of a reconciliation report (each a "**Reconciliation Report**"). In the event of a deficit for such calendar quarter, the City shall pay such amount to the Operator within ten (10) calendar days after receipt of the Reconciliation Report. For purposes of this Agreement, the calendar quarters are from January 1st to March 31st, April 1st to June 30th, July 1st to September 30th, and October 1st to December 31st. The Reconciliation Reports are to be provided to the City in addition to (not in place of) the Monthly Reports, as defined in Section 8(a) below.

6. MANAGEMENT FEE. As compensation for the Operator's provision of the Services, the City shall pay the Operator, pursuant to Sections 7 and 8 below, a Base Fee plus an Incentive Fee as follows (collectively, the "**Management Fee**"):

(a) A base management fee (the "**Base Fee**") of Five Thousand Two Hundred Fifty Dollars (\$5,250.00) per month, prorated for any partial month. Starting on July 1, 2017 and for each new Contract Year after July 1, 2017, the Base Fee shall automatically increase by two and one-half percent (2.5%).

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(b) An incentive management fee (the "**Incentive Fee**") equal to an agreed-upon amount in excess of certain key performance indicators (each a "**KPI**" and, collectively, the "**KPIs**"), to be further described in Exhibit J. The parties shall evaluate and finalize the agreed-upon KPIs for the first full Contract Year of this Agreement (i.e. July 1, 2016-June 30, 2017) on or before June 30, 2016, and thereafter at least thirty (30) calendar days prior to the end of the then-current Contract Year, which KPIs shall be incorporated into this Agreement by Change Order. There shall be no Incentive Fee for the Initial Term, and the maximum amount of the Incentive Fee for the first full Contract Year of this Agreement (i.e., July 1, 2016-June 30, 2017) shall not exceed Thirty-Four Thousand Dollars (\$34,000.00) (the "**Maximum Annual Amount**"). Starting on July 1, 2017 and for each new Contract Year after July 1, 2017, the Maximum Annual Amount shall automatically increase by two and one-half percent (2.5%). For any partial Contract Year during this Agreement, the KPIs shall be reduced to the amount calculated by (i) dividing the KPIs by three hundred sixty-five (365) days, and then (ii) multiplying the quotient so determined by the actual number of days this Agreement was in effect during such Contract Year.

7. MONTHLY REPORTING; RECORDS; QUARTERLY REPORTING.

(a) Within twenty (20) calendar days after the end of each month of a Contract Year, the Operator shall provide to the City a report in a detailed line-item format showing all Gross Receipts, Operating Expenses, the Management Fee, any applicable Incentive Fees, and the Unamortized Balance and the RMS Equipment Balance, both as defined in Section 14, due for the

preceding month in a form approved by the City and with sufficient documentation to support all costs and expenses (each an “**Monthly Report**” and collectively the “**Monthly Reports**”). The City reserves the right to request such detail and additional information as the City, in its reasonable discretion, deems appropriate, and to withhold payment of any item in a Monthly Report until such information is received.

(b) The Operator shall keep complete and accurate reports and records (collectively, the “**Records**”) of Gross Receipts, Operating Expenses relating to the Services, any financing done pursuant to Section 14 of this Agreement (including any financing documents), and any and all other costs incurred by the Operator under this Agreement, and shall keep a complete and accurate inventory (collectively, the “**Inventory**”) of all equipment, vehicles, signs, uniforms, supplies, office materials, technology (hardware or software) and other products purchased as part of the Budget, and including all related invoices, warranties, updates, repairs or other service performed on such products. The Records and the Inventory shall be kept in accordance with good accounting practices, as applicable, and as otherwise required by law. The Operator shall permit the City to inspect the Records and the Inventory at the Operator’s offices during reasonable business hours and at the City’s expense. Expressly excluded from the Records available for inspection are any Records or portion thereof containing sensitive credit card data of any customers, or proprietary or confidential information of the Operator that does not directly relate to this Agreement or the Services.

(c) Within twenty (20) calendar days after the end of each quarter of a Contract Year, the Operator shall provide to the City’s Mayor and the City Council, c/o the City Attorney, a quarterly report detailing the Operator’s general progress on the Agreement; any changes or improvements to the Services or Facilities, including any Consulting Services or Marketing Services; the Operator’s progress on any applicable KPIs; and addressing any customer service, stakeholder, or City concerns related to this Agreement (each an “**Quarterly Report**” and collectively the “**Quarterly Reports**”). If requested by the City, the Operator shall present such Quarterly Reports at a City Council meeting or work session. For purposes of this Agreement, the calendar quarters are from January 1st to March 31st, April 1st to June 30th, July 1st to September 30th, and October 1st to December 31st. The Quarterly Reports are to be provided to the City in addition to (not in place of) the Monthly Reports.

8. PAYMENT OF MONTHLY REPORTS.

(a) Within forty (40) calendar days after receipt of a Monthly Report, the City agrees to pay the Operator for those items specified in that Monthly Report to the extent approved in the Budget, and not otherwise disputed pursuant to the terms of this Agreement. The Operator shall invoice the City for all Operating Expenses and other City-approved costs incurred in any Contract Year no later than sixty (60) calendar days (i.e. August 30th) from the end of that Contract Year, and the parties hereby agree that the City shall not be required to pay or liable for any costs invoiced beyond this deadline. If payment is not made by the City to the Operator within said forty-day period for all undisputed items specified in a Monthly Report, the Operator shall provide the City with written notice of monetary breach specifying the undisputed items to be paid (including reasonable supporting documentation), and providing the City with ten (10) calendar days to remedy such breach. If the City should fail to remedy such breach within such time period, and subject to the other provisions of this Section 8, the Operator shall have the right to: (i) a one (1) time setoff and may deduct the payment for those undisputed Operating Expenses from Gross Receipts otherwise due to the City, but only to the extent specified in the written notice of breach and in accordance with the Budget; and/or (ii) at its option, terminate this Agreement in accordance with Section 29 of this Agreement, without waiving or limiting any of its legal remedies (including the right to recover attorneys’ fees and any other expenses incurred) which the Operator may

pursue to collect the amount owed. This subsection shall not apply to any items disputed by either party, and instead, all disputed items shall be resolved pursuant to Section 21 of this Agreement.

(b) The City shall only make payment in full for services actually ordered and rendered for which a proper Monthly Report has been received, and in strict compliance with the limits of the Budget.

(c) If the City disputes any Operating Expense, the City shall give the Operator written notice specifying the item disputed and the reason therefore. The City shall not withhold payment for any Operating Expense which is not disputed. The parties shall, in good faith, diligently pursue resolution of any disputed item pursuant to Section 21 of this Agreement.

9. OPERATOR'S INSURANCE COVERAGES.

(a) The Operator shall carry and maintain, as an Operating Expense, the following insurance coverages throughout the Term of this Agreement:

(1) Workers' Compensation insurance in compliance with the Worker's Compensation Act of the state in which the Facilities are located.

(2) Employer's liability insurance on all employees for the Facilities not covered by the Workers' Compensation Act, for occupational accidents or disease, for limits of not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) for any one occurrence, or whatever is necessary to satisfy the requirements of the umbrella liability insurance specified below.

(3) Automobile liability insurance for all services delivered to the City pursuant to this Agreement that involve the use of vehicles owned and non-owned, operated or hired or rented by the Operator for limits of not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence in the aggregate, using a Combined Single Limit for bodily injury and property.

(4) Commercial general liability insurance on an occurrence form basis with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence with an annual aggregate limit of Two Million Dollars (\$2,000,000.00) per location.

(5) In lieu of a fidelity bond, comprehensive crime insurance including employee theft, premise, transit and depositor's forgery coverage with limits as to any given occurrence of not less than One Million Dollars (\$1,000,000.00).

(6) Umbrella liability insurance with an annual aggregate limit of not less than One Hundred Million Dollars (\$100,000,000.00).

(b) The liability policies affording the coverages described in subsections (a)(3), (a)(4) and (a)(6) above shall be endorsed to cover the City and its elected officials, appointees, directors, employees, agents, and representatives as additional insureds.

(c) The Operator shall deliver such certificates of insurance to the City no later than the Commencement Date, and the Operator shall obtain renewal policies and deliver such renewal certificates to the City prior to expiration of then-current policies. The Operator shall mail thirty (30) calendar days' prior written notice to the City should any of the policies be cancelled prior to the expiration date of any policy required pursuant to this Agreement. Notwithstanding anything to the contrary in this Agreement, the Operator's right to collect its

insurance charges for any given period is subject only to verification that the required insurance coverage was in effect for that period as evidenced by a duly issued certificate of insurance.

(d) The City reserves the right to annually review such insurance coverages, and to reasonably adjust them as deemed necessary and in the best interest of the City. Any such changes and any associated costs shall be documented in a Change Order pursuant to Section 34 of this Agreement.

(e) On or before the Commencement Date, the Operator shall provide the City with a performance bond in the amount of Five Hundred Thousand Dollars (\$500,000.00), in a form approved by the City Attorney, and shall keep such annually renewable performance bond in effect throughout the Term of this Agreement.

10. CITY INSURANCE. The City (a) is a municipal corporation of the State of Maryland and is self-insured with respect to any and all claims concerning public liability and property damage, and (b) will provide to the Operator promptly upon request documentation evidencing the extent of such coverage as it relates to the Facilities during the Term of this Agreement, and (c) will promptly notify the Operator of any material changes in its insurance (including self-insurance coverage) with respect to the Facilities during the Term of this Agreement.

11. INDEMNIFICATION.

(a) The Operator shall be solely responsible for any and all injuries and damages to persons and property resulting from any breach or default of this Agreement by the Operator, or any negligent or intentional act or omission by the Operator in carrying out the terms of this Agreement or otherwise arising from this Agreement.

(b) The Operator shall indemnify, defend and hold the City, its elected officials, appointees, directors, employees, agents, and representatives (together, the "**City's Indemnified Parties**") harmless from and against all liability for injuries to persons, including death, and damage to the Facilities arising from acts or omissions of the Operator, its officers, agents, employees or contractors in connection with this Agreement.

(c) The Operator shall also indemnify, defend and hold the City's Indemnified Parties harmless from and against any and all liabilities, claims, suits, or demands which may be made against the City's Indemnified Parties by any third party arising from the alleged violation of any third party's trade secrets, proprietary information, trademark, copyright, patent rights, or other intellectual property rights, or from the alleged violation of unfair competition, defamation, invasion of privacy, anti-discrimination laws or regulations, or any other right of any person or entity in connection with the Operator's use of the Facilities or provision of the Services under this Agreement.

(d) The Operator's indemnification of the City includes defending the City with legal counsel reasonably acceptable to the City but subject to the Operator's insurance carrier's right to select legal counsel, in defending any indemnified claims, complaints, actions, causes of action or lawsuits.

(e) The City, in its sole discretion, but at its sole cost and expense, may participate in handling its own defense or exclusively handle its own defense, and select its own attorneys, including the City Attorney.

(f) Operator indemnification does not limit any immunity which the City is entitled to assert against third parties.

(g) The Operator shall reimburse the City, within thirty (30) calendar days after invoicing for such reimbursement, for any damage to the Facilities caused by the negligence or willful misconduct of the Operator, its officers, agents, employees or contractors.

(h) Nothing in this Section 11 shall be deemed to replace, override or supersede the insurance provided by the Operator pursuant to Section 9 of this Agreement.

12. THIRD PARTY CLAIMS.

(a) Within ten (10) calendar days of the Operator's knowledge of a third party claim relating to the Services, the Facilities, and/or this Agreement, the Operator shall provide the City with written notice of that claim. The Operator shall indicate in such written notice its plan of action with regards to the claim. The Operator shall also indicate in such written notice when it reasonably believes that the City, rather than the Operator, is financially liable for any claim.

(b) Within ten (10) calendar days of the City's knowledge of a third party claim relating to the Services, the Facilities, and/or this Agreement, the City shall provide the Operator with written notice of that claim. The Operator shall then respond in writing with its plan of action with regards to the claim. The Operator shall also indicate in such written response when it reasonably believes that the City, rather than the Operator, is financially liable for any claim.

(c) It is agreed that, if at any time a dispute shall arise as to liability for any third party claim, the Operator shall resolve such claim (including any payment to a third party) "under protest" and such payment shall not be regarded as a voluntary payment and shall survive the right on the part of the Operator to proceed with the dispute under Section 21 of this Agreement. If it shall be determined and/or adjudged that there was no legal obligation on the part of the Operator to pay any third parties, the Operator shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this subsection.

13. CONDITION AND USE OF FACILITIES. The City warrants and represents that:

(a) As of the Commencement Date and throughout the Term hereof, the Facilities, including the existing equipment located therein, and the roof, structural portions, and interior and exterior of any building which is part of the Facilities, but expressly excluding any personal property or trade fixtures of the Operator, are and shall, at the City's expense, be kept in good condition and repair for use as a parking facility, and shall be constructed and fixtured to comply with all laws, regulations, ordinances, codes and industry standards now in effect or which become effective during the Term hereof including, without limitation, the Americans With Disabilities Act of 1990 and similar laws; and

(b) As of the Commencement Date and throughout the Term hereof, the City agrees that it has obtained or will obtain all licenses and permits for the Facilities (excepting the Operator's governmental parking licenses, police permits and/or other permits specified in Section 17) that are or may be a prerequisite to the Operator's performance of its duties hereunder; and

(c) Only as of the Commencement Date, the City represents and warrants that all revenue control equipment and systems provided by the City that store, process or transmit credit card data are and shall be compliant with (i) the PCI DSS and (ii) the Fair and Accurate Credit Transactions Act of 2003, as may be amended from time to time ("**FACTA**"), it being expressly understood that the responsibility and liability for compliance with PCI DSS and FACTA through the Term of this Agreement shall be the Operator's as the named merchant of record for the Deposit Account.

14. FINANCING, EQUIPMENT AND VEHICLES.

(a) In consideration for the City agreeing to enter into this Agreement, the Operator agrees to advance to the City a lump-sum payment not to exceed Nine Hundred Thousand Dollars (\$900,000.00) (the "**Cost of Contract**") within ten (10) calendar days of the City's execution of this Agreement, to be documented in a Change Order pursuant to Section 34, which shall be used solely by the City for purposes of repaying the outstanding debt for the existing City-owned parking equipment at the Facilities as of the Commencement Date. Starting July 1, 2016, the Cost of Contract shall be amortized by the Operator, as a reimbursable Operating Expense, plus interest at the rate of eight percent (8%) per annum, on a straight-line basis in equal monthly installments (the "**Monthly Installments**") over the first five (5) full Contract Years of this Agreement (the "**Amortization Period**"). The Monthly Installments shall be included in the Budget as a City Council-approved line item for each applicable Contract Year of the Term, or shall otherwise not be payable by the City. If this Agreement is terminated for any reason by either party prior to expiration of the Amortization Period, the City shall pay the Operator, within sixty (60) calendar days of the effective date of any such termination, the unamortized balance of the Cost of Contract (the "**Unamortized Balance**") as specified in the Budget and as further described in Exhibit K, attached to and incorporated into this Agreement. If the City fails to pay the Operator as provided herein, the Operator shall provide the City with written notice of monetary breach specifying the undisputed balance to be paid (including reasonable supporting documentation), and providing the City with ten (10) calendar days to remedy such breach. If the City should fail to remedy such breach within such time period, and subject to the other provisions of this Section 14(a), the Operator may, in its sole discretion and in addition to any other rights or remedies (i) take a one (1) time setoff and deduct the outstanding Unamortized Balance from Gross Receipts otherwise due the City, but only to the extent specified in the written notice of breach and in accordance with the Budget and Exhibit K, and/or (ii) continue to operate the Facilities and the Metered Spaces and provide the Services, notwithstanding any such termination of this Agreement, retaining all Gross Receipts but only until such time as Gross Receipts, net of any expenses incurred by the Operator in continuing operations, equal the amount specified in the written notice of breach and in accordance with the Budget and Exhibit K. The rights and obligations in this subsection shall survive termination or expiration of this Agreement. Nothing in this subsection shall cause title to or ownership of the parking equipment at the Facilities covered by the Cost of Contract to be held by any person or entity other than the City. This subsection shall not apply to any balances disputed by either party, and instead, all disputed balances shall be resolved pursuant to Section 21 of this Agreement.

(b) In connection with the Remote Management Service, the Operator shall contribute up to Eighty Thousand Dollars (\$80,000.00) for equipment upgrades at the Facilities (the "**RMS Equipment**"), to be documented in a Change Order pursuant to Section 34, which shall not be deemed an Operating Expense, but which shall be included in the Budget as a City Council-approved item for each applicable Contract Year of the Term. The Operator shall amortize the cost of the RMS Equipment on a straight-line basis over the Amortization Period without interest. If this Agreement is terminated for any reason by either party prior to expiration of the Amortization Period, the City shall pay Operator, within sixty (60) calendar days of the effective date of any such termination, the unamortized balance of the cost of RMS Equipment (the "**RMS Equipment Balance**") as specified in the Budget and as further described in Exhibit L, attached to and incorporated into this Agreement. If the City fails to pay the Operator as provided herein, the Operator shall provide the City with written notice of monetary breach specifying the undisputed balance to be paid (including reasonable supporting documentation), and providing the City with ten (10) calendar days to remedy such breach. If the City should fail to remedy such breach within such time period, and subject to the other provisions of this Section 14(b), the Operator may, in its sole discretion and in addition to any other rights or remedies, (i) take a one (1) time setoff and

deduct the outstanding RMS Equipment Balance from Gross Receipts otherwise due the City, but only to the extent specified in the written notice of breach and in accordance with the Budget and Exhibit L, and/or (ii) continue to operate the Facilities and the Metered Spaces and provide the Services, notwithstanding any such termination of this Agreement, retaining all Gross Receipts but only until such time as Gross Receipts, net of any expenses incurred by the Operator in continuing operations, equal the amount specified in the written notice of breach and in accordance with the Budget and Exhibit L. Nothing in this subsection shall cause title to or ownership of the RMS Equipment to be held by any person or entity other than the City. This subsection shall not apply to any balances disputed by either party, and instead, all disputed balances shall be resolved pursuant to Section 21 of this Agreement.

(c) The Operator shall provide, as a reimbursable Operating Expense, but only to the extent included in the Budget, two (2) vehicles for the Enforcement Program plus one (1) vehicle for Meter collections (collectively, the “**Vehicles**”) in accordance with the vehicle specifications and payment terms set forth on Exhibit M, attached to and incorporated into this Agreement.

(d) If and when the current inventory of Meters needs replacement and/or other new equipment is desired for the provision of the Services, the Operator shall notify the City in writing of such need. The City may either (i) obtain its own financing for such replacements or purchases, or (ii) request the Operator to finance such replacements or purchases and to include such costs as a reimbursable Operating Expense in the Budget pursuant to a Change Order, and to establish an amortization schedule to be attached as a new exhibit to this Agreement. Any equipment upgrades or replacements undertaken by either the City or the Operator, or their respective contractors shall be compliant with PCI DSS and FACTA.

15. INTELLECTUAL PROPERTY. The Operator hereby grants to the City, during the Term of this Agreement only, a non-assignable, non-exclusive right and license to use the Operator’s intellectual property, including but not limited to its trade names, trademarks, url website addresses, mobile applications, software and any and all on-site parking amenities programs (collectively, the “**Intellectual Property**”), to the extent related to the Operator’s administration, management and operation of the Facilities and the Operator’s provision of the Services. Upon expiration or earlier termination of this Agreement for any reason, the Operator shall remove the Intellectual Property from the Facilities and remove all City information from any applicable websites, and the City shall refrain from all further use of the Intellectual Property within thirty (30) calendar days from the date of termination. In the alternative, the parties may agree in writing for the City to purchase ownership of and/or rights to, or for the City to continue licensing, any and/or all of the Intellectual Property for use by the City or other City-selected third party in connection with parking services in the City.

16. CITY OBLIGATIONS.

(a) Except for the duties expressly delegated to the Operator in Section 3 of this Agreement and/or included in the Bid, the City, at its expense, shall be responsible for all repair and maintenance of the Facilities, and its related systems and improvements, in good condition and repair, including (as applicable): heating; air conditioning; ventilating; exhaust; fire protection; alarm; utilities; plumbing (including lavatory facilities); sewage; drainage; security and lighting systems; paving; painting; striping; directional signs; fencing; parking booths; landscaping; snow and ice removal; windows and doors; plate glass; driveways, sidewalks and curbs (including curb cuts); elevators, manlifts and escalators; sealing and waterproofing; electrical or mechanical systems or equipment including traffic control devices used at or in the Facilities; and all structural repairs. Provided, however, that the Operator shall provide the City with timely written notice of any need for repair and/or maintenance that it is aware of related to any of the Facilities or its related

systems or improvements, as specified in this subsection, and the Operator shall further have a duty to reasonably mitigate any circumstances that may arise to prevent damage to any of the Facilities, and provided the Operator obtains prior City approval, any costs or expenses incurred with any such mitigation shall be deemed Operating Expenses.

(b) The City, at its expense, shall be responsible for any alterations, improvements or repairs that the City deems necessary or are required by statutes, regulations or governmental requirements pertaining to air quality, environmental protection or persons with disabilities including, without limitation, the Americans with Disabilities Act of 1990, and payment of architectural, engineering or consulting fees with respect thereto.

(c) The City, at its expense, shall be responsible for all installation, removal, replacement or modification of signage at the Facilities as may be required by law or desired by the City in order to adhere to the Manual on Uniform Traffic Control Devices (the "MUTCD") or similar standards.

(d) The City expressly acknowledges that the Operator does not have knowledge or expertise as a guard or security service, and does not employ personnel for that purpose, nor do the Operator's employees undertake the obligation to guard or protect customers of the Facilities against the intentional acts of third parties. The City shall determine, at the City's discretion, whether and to what extent any precautionary warnings, security devices, or security services may be required to protect patrons in and about the Facilities. The Operator, however, shall continue to operate and maintain any security cameras installed at the Facilities in order to preserve an archival record of any property damage and/or other incidents that occur at the Facilities. Provided that the Operator provides timely written notice of any such claim, demand, suit, liability or judgment pursuant to Section 12 of this Agreement, the City agrees to indemnify and to hold harmless the Operator from and against any claims, demand, suits, liabilities, or judgments arising from the Operator's alleged failure to warn, to guard, or to protect persons in or about the Facilities from and against intentional threats, harm, or injury, except for the negligent or intentionally committed acts of or by the Operator or Operator's employees, agents or representatives; provided, however, that any indemnification by the City shall only be to the extent permitted by the laws of the State of Maryland, subject to existing appropriations and/or available insurance coverage, and expressly subject to the provisions of Section 5-301 *et seq.* of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, as may be amended.

(e) If either party engages a third party contractor to perform work at the Facilities, that party shall require such contractor (i) to indemnify, save and hold the City and the Operator harmless from and against and free and clear of all claims, suits, actions, and damages which may arise, occur or result from work performed by such contractor, (ii) to name the City and the Operator as additional insureds on the third party contractor's policies of liability insurance, and (iii) to furnish the City and the Operator with a certificate of insurance evidencing such coverages.

17. LICENSES AND PERMITS. The Operator shall obtain and maintain all licenses and permits required by an operator of parking facilities by any governmental body or agency having jurisdiction over the Operator's operations at the Facilities, and the Operator shall abide by the terms of such licenses and permits. Any license or permit fees incurred by the Operator shall be deemed an Operating Expense only to the extent such fees are included in the Budget.

18. LAWS AND ORDINANCES. The Operator shall not use all or any part of the Facilities for any use or purpose which is (a) forbidden by or in violation of any law of the United States, any state law or any local or City ordinance, or (b) may be dangerous to life, limb or property. The

Operator shall provide the Services and fulfill all of its obligations and duties under this Agreement in accordance with all applicable federal, state and local laws.

19. KEY PERSONNEL; PROHIBITION OF HIRING SUPERVISORY PERSONNEL.

(a) The Operator shall provide experienced and qualified supervisory personnel to supervise its provision of the Services, including those key personnel specified in the Proposal. If the key personnel specified in the Proposal shall leave the Operator's services at any point during the Term of this Agreement, the Operator shall provide the City with written notice of such change and a resume of the replacement within thirty (30) calendar days of that key personnel leaving.

(b) The City covenants and agrees that it shall not hire the Operator's supervisory personnel for a period of six (6) months after the date of expiration or termination of this Agreement, unless otherwise agreed to by the parties in writing.

20. LOSS OR DAMAGE TO FACILITIES. In case of any substantial loss of or damage to the Facilities as the result of a taking under the power of eminent domain, or by fire, storm or other casualty or force majeure event, the City in its sole and absolute discretion may determine whether or not, and to what extent, to repair or restore any of the Facilities, or to terminate this Agreement pursuant to Section 29. If the City decides to repair or restore, and any portion of the Facilities remains suitable for the Services, and the Operator, with the City's prior written approval, continues its operations, the Operator shall be entitled to receive its Management Fee for the period during which the Services are continued, but the Operating Expenses shall be appropriately prorated in the Budget. If the City repairs and restores the Facilities, and no portion of the Facilities remains suitable for the Services, the Operator shall continue to provide those Services hereunder not related to the Facilities, and the Management Fee and the Operating Expenses shall be appropriately prorated in the Budget. Any changes in the Services, the Management Fee, the Operating Expenses, and/or Budget as a result of loss or damage to the Facilities shall be documented in a Change Order pursuant to Section 34 of this Agreement.

21. DISPUTE RESOLUTION.

(a) It is agreed that, if at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and shall survive the right on the part of the said party to institute suit for the recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Agreement. If at any time a dispute shall arise between the parties hereto as to any work or obligations to be performed by either of them under the provisions hereof, the party against whom the obligation to perform the work or obligation is asserted may perform such work or obligation and pay the costs thereof "under protest" and the performance of such work or obligation shall in no event be regarded as a voluntary performance and shall survive the right on the part of the said party to institute suit for the recovery of the costs of such work or obligation. If it shall be adjudged that there was no legal obligation on the part of the said party to perform the same or any part thereof, said party shall be entitled to recover the costs of such work or obligation or the cost of so much thereof as said party was not legally required to perform under the provisions of this Agreement.

(b) Subject to subsection (a) directly above, the parties shall negotiate in good faith and attempt to resolve any dispute, controversy or claim arising out or relating to this Agreement

(a “**Dispute**”) promptly and, in any event, within thirty (30) calendar days after the date that a party gives written notice of such Dispute to the other party. Any successful resolution of a Dispute shall be documented in a Change Order pursuant to Section 34 of this Agreement. In the event that the parties are unable to reach agreement within such thirty (30) calendar day period (or such longer period as the parties may mutually agree) then either party may pursue the matter through litigation in accordance with subsection (c) directly following.

(c) Any Dispute that is not settled to the mutual satisfaction of the parties pursuant to this Section 21 shall be resolved by the Circuit Court of Anne Arundel County, Maryland.

22. RELATIONSHIP OF THE PARTIES. No partnership or joint venture between the parties is created by this Agreement, it being agreed that the Operator is an independent contractor. The Operator’s personnel or any other personnel providing the Services under this Agreement are employees of the Operator, not the City, and the Operator shall be responsible for paying the wages and benefits provided to such personnel, and for preparing and filing all necessary returns, reports and forms required by law in connection with such employment, such as FICA taxes, unemployment insurance, worker’s compensation insurance, disability benefits, federal and state income tax withholding and other similar taxes.

23. FORCE MAJEURE.

(a) Notwithstanding any other terms or provisions of this Agreement, in the event the City is temporarily or permanently prevented, restricted or delayed in the performance of any or all of the duties and obligations imposed upon or assumed by it hereunder, by act of the General Assembly of Maryland or the City Council, by a court of competent jurisdiction or by administrative delay not due to the fault of the City (and its members and agents), then the City shall not be liable directly or indirectly for any claims caused to or suffered by the Operator or any other person in connection with or as a result of such prevention, restriction or delay.

(b) The Operator shall not be responsible for delays in the performance of any or all of the duties and obligations imposed upon or assumed by it hereunder caused solely by unforeseeable causes beyond its control or the control of its subcontractors or suppliers of materials by reason of strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of the public enemy, acts of public authority, weather conditions, riots, rebellion, accidents, sabotage or any other circumstances for which it is not responsible and which are not within its control. Before the beginning of any such delay, if the delay is known to the Operator, or in any event no later than promptly following the beginning of any such delay, the Operator shall verbally notify the City of the delay and then give the City written notice of the delay within forty-eight (48) hours of the verbal notice. Both the verbal and written notices shall include when the delay is expected, if known prior to commencing, the anticipated length of the delay, and the cause of the delay. The City may also require the Operator to suggest possible alternatives, solutions and/or remedies to the delay. No Management Fee or Operating Expenses shall be due to the Operator if it suspends operations for any such cause or event for the period of such suspension.

(c) Any changes in the Services and/or Budget as a result of a force majeure event shall be documented in a Change Order pursuant to Section 34 of this Agreement.

24. GOVERNING LAW. In all actions arising from this Agreement, the laws of the State of Maryland shall govern, and the venue for all actions initiated pursuant to this Agreement shall be exclusively the Courts of Anne Arundel County, Maryland.

25. **APPROVALS.** Subject to the City's charter and code requirements, whenever the approval of either party is required herein, such approval shall not be unreasonably withheld or delayed.

26. **FUNDING.** The failure of the City to appropriate sufficient funds in any future fiscal year to provide funds for any future Contract Year under this Agreement shall entitle the City to terminate this Agreement prior to the start of any such non-appropriated Contract Year upon providing the Operator with written notice at least thirty (30) calendar days prior to the start of any such non-appropriated Contract Year. However, notwithstanding the foregoing, any future non-appropriation shall not impact or negate any of the City's obligations to fund or pay Operating Expenses properly invoiced/reported and incurred for appropriated Contract Years.

27. **WAIVERS.** No waiver of default by either party of any term, covenant or condition hereof to be performed or observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of the same or any other term, covenant or condition hereof.

28. **SEVERABILITY.** If any provision hereof is held to be invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision hereof, provided such invalidity does not materially prejudice either party in its rights and obligations contained in the valid provisions of this Agreement.

29. **TERMINATION; EXPIRATION OF AGREEMENT.**

(a) The Operator may terminate this Agreement upon any monetary nonpayment by the City pursuant to the covenants, terms or conditions of this Agreement (a "**City Monetary Default**"), provided the Operator complies with those procedures for notice and remedy as specified in Sections 8 and 14 of this Agreement. The Operator may also terminate this Agreement upon the breach by the City of any non-monetary covenant, term or condition hereof (a "**City Non-Monetary Default**"), provided the City first receives written notice of such breach and fails to remedy same, within thirty (30) calendar days after receipt of written notice thereof, or if the City fails to commence remedying such non-monetary breach within said 30-calendar day period if such non-monetary breach cannot be reasonably remedied by the City within thirty (30) calendar days.

(b) If any representation or warranty, expressed or implied, of the Operator and pertaining to this Agreement shall prove at any time to be incorrect or misleading in any material respect either on the date when made or throughout the Term of this Agreement; or if the Operator shall fail to comply with the terms of any covenant, condition, agreement or any express or implied warranty contained in this Agreement; or if the Operator refuses or fails to timely prosecute the Services in good faith and in accordance with the provisions of this Agreement and the Bid; or if the Operator becomes insolvent or generally does not pay its debts as they become due, or if a petition for relief is filed by the Operator in a bankruptcy court, or if the Operator applies for, consents to, or acquiesces in the appointment of a trustee, custodian, or receiver for the Operator or any of its assets and property, or makes a general assignment for the benefit of creditors, or in the absence of such application, consent, or acquiescence, a trustee, custodian, or receiver is appointed for the Operator or for a substantial part of the assets and property of the Operator and is not discharged within thirty (30) calendar days; or if any bankruptcy, reorganization, debt arrangement, or other proceeding or case under any bankruptcy or insolvency or any dissolution or liquidation proceeding is instituted against the Operator and is consented to or acquiesced to by the Operator or remains for sixty (60) calendar days undismissed; or if the Operator loses or forfeits its corporate status, or ceases to be in good standing with the State of Maryland; or if the Operator fails to fulfill or otherwise violates any other term or obligation of this Agreement (individually and collectively, an

“Operator Default”), the City may, after providing the Operator a cure period as described in subsection (d) below, declare the Operator in breach or default of this Agreement and terminate this Agreement.

(c) In addition to other available rights and remedies, and in addition to the right to terminate this Agreement in whole or in part, the City shall have the right upon the happening of any Operator Default, after providing the Operator a cure period as described in subsection (d) below:

(1) To suspend the Operator's authority to receive any payment pursuant to any Monthly Reports or other costs or expenses; and

(2) To take over all unfinished work and enter into agreements with other contractors to complete the Services and this Agreement, and may take possession of and use all goods, materials, equipment, components or software located at the Facilities or the Metered Spaces or otherwise listed on the Inventory necessary to complete the Services.

(d) The City shall allow the Operator a thirty (30) calendar day cure period to correct an Operator Default or to commence correction of an Operator Default, if such breach cannot be reasonably remedied by the Operator within thirty (30) calendar days. If the Operator fails to cure to the City's satisfaction, the City may then declare the Operator in breach or default of this Agreement at the end of the cure period, and immediately terminate this Agreement.

(e) No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other remedies provided for in this Agreement, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. Every right, power and remedy given to either party may be exercised from time to time as often as may be deemed expedient by that party.

(f) Upon the expiration or earlier termination of this Agreement for any reason, the following shall occur:

(1) Within one hundred twenty (120) calendar days from the effective date of expiration and/or termination, all mutually agreed to Change Orders shall be executed and implemented, as applicable; and

(2) Within one hundred twenty (120) calendar days from the effective date of expiration and/or termination, all third party claims pursuant to Section 12 and all Disputes pursuant to Section 21 shall be mutually resolved without litigation, to the extent possible, or shall otherwise be resolved pursuant to Section 21(c); and

(3) Within one hundred twenty (120) calendar days from the effective date of expiration and/or termination, the City shall pay the Operator for the Services rendered and accepted by the City up to the date of expiration and/or termination to the extent specified in the Budget and to include any applicable Management Fee, Operating Expenses and Incentive Fees, less the amount of any actual, out-of-pocket damages caused by any Operator Default (provided, that if the damages exceed the undisbursed sums available for compensation, the City shall not be obligated to make any further payments hereunder); and

(4) Within sixty (60) calendar days from the effective date of expiration and/or termination, and in accordance with Section 14(a), the City shall pay the Operator the

Unamortized Balance, if any, to the extent specified in the Budget and Exhibit K; and

(5) Within sixty (60) calendar days from the effective date of expiration and/or termination, and in accordance with Section 14(b), the City shall pay the Operator the RMS Equipment Balance, if any, to the extent specified in the Budget and Exhibit L; and

(6) Within sixty (60) calendar days from the effective date of expiration and/or termination, the City shall pay any remaining balance, if any, for any Vehicles, replacement meters and/or new equipment financed by the Operator pursuant to Section 14 of this Agreement, to the extent specified in the Budget and any applicable exhibit(s) to this Agreement; and

(7) Within sixty (60) calendar days from the effective date of expiration and/or termination, the Operator shall provide complete and final Records and an Inventory to the City, and shall further transfer exclusive ownership of all items included in that Inventory to the City; and

(8) Within thirty (30) calendar days from the effective date of expiration and/or termination, the parties shall comply with Section 15 of this Agreement concerning the Intellectual Property, unless otherwise agreed to in writing.

30. SALE OF FACILITIES. Subject and subordinate to all termination rights hereunder, in the event of a sale of the Facilities, in whole or in part, or other change in the equipment to be utilized for the Services, this Agreement and the Operator's rights hereunder shall not be disturbed so long as the Operator is not in breach or default of this Agreement, and the Operator complies with the terms of this Agreement. The City reserves the right for the Management Fee and/or the Operating Expenses to be appropriately prorated in the Budget to reflect such change(s), and documented in a Change Order.

31. ASSIGNMENT. The Operator shall not assign or transfer this Agreement or its right, title or interest herein without the prior written consent of the City. With thirty (30) calendar days prior written notice to the City, the Operator is hereby given the right to assign this Agreement to an affiliate of the Operator or to a corporation substantially all of the stock of which is owned by the Operator and/or to collaterally assign its right, title and interest herein to a financial institution as security for any present or future loans to the Operator related to the Services or this Agreement.

32. NOTICES. Any notice or communication required to be given to or served upon either party shall be given or served by personal service or by express delivery or by mailing the same, postage prepaid, by United States registered or certified mail, return receipt requested, to the following addresses:

TO THE CITY:	Annapolis Department of Transportation Attn: Director 308 Chinquapin Round Road Annapolis, Maryland 21401
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With a Copy to:	City Attorney 160 Duke of Gloucester Street Annapolis, Maryland 21401
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TO OPERATOR:	Central Parking System of Maryland, Inc. Attn: Legal Department
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200 East Randolph Street, Suite 7700
Chicago, IL 60601

With a Copy to:

Central Parking System of Maryland, Inc.
Attn: Christopher Sherman
Senior Vice President
1225 Eye Street, Suite 500
Washington, DC 20005

Either party may designate a substitute address by written notice to the other party.

33. ENTIRE AGREEMENT.

(a) This Agreement, together with the Bid (RFP and Proposal) and the exhibits attached hereto, constitutes the entire agreement between the parties, and supersedes all representations, statements or prior agreements and understandings both written and oral with respect to the matters contained in this Agreement and the attached exhibits. No person has been authorized to give any information or make any representation not contained in this Agreement. This Agreement may be amended only by written agreement or fully executed Change Order of the parties.

(b) In the event of any conflict or discrepancy between the terms of the RFP, the terms of the Proposal and the terms of this Agreement (collectively, the "**Contract Documents**"), the Contract Documents shall be construed and interpreted in the following order of descending priority: (i) this Agreement, (ii) the RFP and (iii) the Proposal. Consequently, the terms of this Agreement shall prevail and govern over any conflicting terms in the Proposal and the RFP.

34. CHANGE ORDERS.

(a) Without invalidating this Agreement, either party may at any time, or from time to time, request the following through a written change order to the other party (each a "**Change Order**"), in the form of Exhibit N, attached to and incorporated into this Agreement:

(1) Additions, deletions or revisions to the Services including, without limitation, adding new services or products from time to time that are in the public interest or may enhance the Services; or

(2) Increase of any of the Operating Expenses or any change to the Budget for any reason; or

(3) Changes in the insurance to be provided by the Operator pursuant to Section 9 of this Agreement; or

(4) Changes to the Unamortized Balance and/or the RMS Equipment Balance specified in Section 14 of this Agreement; or

(5) Purchase and/or financing of replacement meters or other new equipment by the Operator pursuant to Section 14 of this Agreement; or

(6) Suspension of obligations and duties and/or proration of any of the Operator's costs (including but not limited to the Management Fee and the Operating Expenses) due to loss or damage to any of the Facilities, as further described in Section 20 of this Agreement; or

(7) Changes to the terms and conditions of this Agreement based on the resolution of a Dispute pursuant to Section 21 of this Agreement; or

(8) Suspension of obligations and duties and/or prorated costs (including but not limited to the Management Fee and the Operating Expenses) due to a force majeure event, as further described in Section 23 of this Agreement; or

(9) Changes to the terms and conditions of this Agreement and/or proration of any of the Operator's costs (including but not limited to the Management Fee and the Operating Expenses) due to a sale of the Facilities or other change in equipment pursuant to Section 30 of this Agreement; or

(10) Changes to the rates, hours of operation and/or discount programs for the Facilities, the Metered Spaces and/or the Shuttle Service; or

(11) Changes to any of the exhibits attached to or referenced in this Agreement; or

(12) Such other changes that materially alter the scope, extent, obligations or liabilities of either party under this Agreement.

(b) Each Change Order shall be accompanied by reasonably sufficient documentation setting forth in detail the nature and cause of the requested changes, and an itemized and substantiated statement of any changes in the Budget or Management Fee requested.

(c) Upon receipt of a Change Order, the receiving party shall respond in writing within fourteen (14) calendar days indicating agreement, disagreement, and/or any other changes to the terms and conditions of this Agreement required for the receiving party's agreement. The City and the Operator shall then revise the Change Order, as applicable, and shall fully execute such document. Each fully executed Change Order shall be incorporated into this Agreement as a binding amendment. Each Change Order is subject to the receiving party's sole but reasonable discretion for approval, unless expressly specified otherwise in this Agreement.

(d) Any change not made in strict compliance with the provisions of this Section 34 shall be invalid and be deemed waived by the requesting party, and shall not be pursued against or requested from the other party at any later time. All requests for changes to this Agreement shall be determined in accordance with Section 21 if the City and the Operator cannot otherwise agree on the change and/or the amount involved.

35. PARTIES BOUND. This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors, executors, administrators, legal representatives and permitted assigns.

36. NEITHER PARTY DEEMED DRAFTER. The parties to this Agreement have had sufficient time to consult legal counsel and negotiate changes regarding the terms hereof. Therefore, neither party shall be deemed the drafter of this Agreement and, as such, this Agreement shall not be construed against either party due to the drafting hereof.

37. WAIVER OF JURY TRIAL. The City and the Operator irrevocably waive their right to a jury trial for any claim, allegation, dispute, matter, issue, action, proceeding, cause of action or counterclaim brought by either party against the other party arising out of or in connection with

this Agreement, the Operator's use of the Facilities, the Services, or the relationship of the City and the Operator. This waiver is a material inducement for the parties to enter into this Agreement.

38. AUTHORITY; REPRESENTATIONS.

(a) The individuals signing this Agreement on behalf of the City hereby represent that he or she has been empowered with full authority to act on behalf of the City in connection with this Agreement, and that execution of this Agreement has been duly authorized by the City.

(b) For purposes of "written approval" under this Agreement, and subject to the City's charter and code requirements, the City's written approval may only be given by the City Manager.

(c) The Operator is a corporation, duly formed and validly existing under the laws of the State of Tennessee, and is qualified to do business and is in good standing in the State of Maryland. The individual signing this Agreement on behalf of the Operator hereby represents that he or she has been empowered with full authority to act on behalf of Operator in connection with this Agreement, and that execution of this Agreement has been duly authorized by the Operator.

39. COUNTERPARTS AND SIGNATURES. This Agreement may be executed in any number of separate counterparts, each of which shall together be deemed an original, but the several counterparts shall together constitute but one and the same Agreement. The parties shall execute this Agreement with original signatures.

40. EXHIBITS. The following exhibits shall be attached to and incorporated into this Agreement:


Exhibit A	List of Facilities; Facility Rates; Operating Hours
Exhibit B	Metered Spaces and Meters
Exhibit C	Enforcement Program
Exhibit D	Permit Program
Exhibit E	Mobile Platform
Exhibit F	Valet Services
Exhibit G	Shuttle Service
Exhibit H	Marketing Services
Exhibit I	Consulting Services
Exhibit J	Incentive Fees and KPIs
Exhibit K	Unamortized Balance
Exhibit L	RMS Equipment Balance
Exhibit M	Vehicles
Exhibit N	Change Order

Any exhibit may be updated, at any time, pursuant to the Change Order process in Section 34 of this Agreement. Some exhibits may be blank or incomplete on the date of the execution of this Agreement, and the parties acknowledge and understand that such exhibits shall be updated as soon as reasonably possible after execution of this Agreement, unless otherwise specifically addressed in the Agreement.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.


ATTEST:

By: 
Name: Justin Rogers

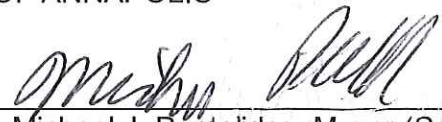
OPERATOR:
Central Parking System of Maryland, Inc.

By: 
Christopher Sherman
Senior Vice President

ATTEST:


Regina C. Watkins-Eldridge, MMC,
City Clerk

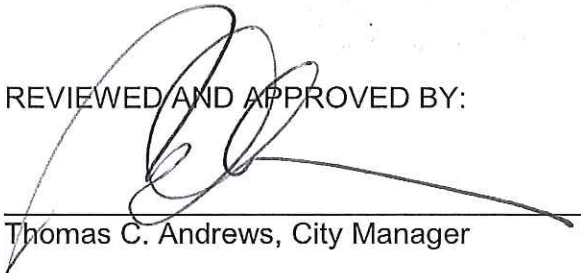
CITY OF ANNAPOLIS

By: 
Michael J. Pantelides, Mayor (Seal)

APPROVED FOR FINANCIAL SUFFICIENCY:


Bruce T. Miller, Director
Finance Department

REVIEWED AND APPROVED BY:


Thomas C. Andrews, City Manager

REVIEWED AND APPROVED BY:


Rick Gordon, Director
Annapolis Department of Transportation

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

 02/16/2016
OFFICE OF THE CITY ATTORNEY

**EXHIBIT A (1 OF 2)
LIST OF FACILITIES; FACILITY RATES; OPERATING HOURS**

	<u>Name</u>	<u>Street Address</u>	<u>City, State</u>	<u>Space Count</u>
1.	Hillman Garage	150 Gorman Street	Annapolis, MD	425 spaces
2.	Gott's Court Garage	25 Northwest Street	Annapolis, MD	540 spaces
3.	Knighton Garage	1A Colonial Avenue	Annapolis, MD	278 spaces
4.	Larkin Street Lot	Larkin Street	Annapolis, MD	50 spaces
5.	South Street Lot	138 South Street	Annapolis, MD	<u>50 spaces</u>
Total:				<u>1,343 spaces</u>

Complimentary and Discounted Parking: In connection with Section 3(m) of the Agreement, the City, in its sole discretion, may validate parking for any of the Facilities' patrons and employees in order to provide complimentary and/or discount parking. All validated parking shall be tracked and reported to the City as part of the Monthly Reports.

Facility Rates and Operating Hours: The City shall approve all parking rates and rate adjustments for the Facilities (collectively, the "**Facility Rates**"), and shall approve all hours of operations for the Facilities (the "**Operating Hours**"). Subject to a Change Order under Section 34 of the Agreement, and any applicable adjustment in Operating Expenses in the Budget, the City reserves the right to establish differing Operating Hours and/or Facility Rates during local or state emergencies or other force majeure events (as further described in Section 23 of the Agreement), or for holidays or other special events. The Facility Rates and Operating Hours in effect at the commencement of this Agreement are stated on the following page.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

EXHIBIT A (2 OF 2)
LIST OF FACILITIES; FACILITY RATES; OPERATING HOURS

Garage	Hillman Garage	Gott's Garage	South Street Lot	Larkin St Lot	Knighton Garage
Address	150 Gorman Street	25 NW Street	138 South Street	Larkin St	1A Colonial Ave
Type of Location	Garage	Garage	Lot	Lot	Garage
Self-Park/Valet	Self	Self	Self / Valet Assist	Self	Self
Capacity	425	540	50	50	278
Weekday Hours	24/7	24/7	24/7	24/7	24/7
Weekend Hours	24/7	24/7	24/7	24/7	24/7
Transient Rates (up to)					
1 Hr	\$2.00	\$2.00	\$5.00	Weekdays - Monthly Only.	\$1.00
2 Hrs	\$5.00	\$5.00	\$5.00		\$3.00
3 Hrs	\$8.00	\$5.00	\$10.00		\$5.00
4 Hrs	\$11.00	\$9.00	\$10.00		\$7.00
5 Hrs	\$16.00	\$11.00	\$15.00		\$10.00
6 Hrs	\$16.00	\$11.00	\$15.00		\$10.00
7 Hrs	\$20.00	\$13.00	\$15.00		\$10.00
10 Hrs	\$20.00	\$15.00	\$15.00		
24 Hrs / Max	\$20.00	\$15.00	\$15.00		\$10.00
Valet					
Special Event Rate					
Parameter					
Evening Rates	\$5.00	\$5.00	\$2/Hr	\$2/Hr	\$5.00
In after	8PM	8PM	6P	6P	8PM
Out before	6AM	6AM	6A	6A	6AM
Weekend Rates					
Saturday	See Above	See Above	\$2/Hr	\$2/Hr	See Above
Saturday Parameter			6P-6A	6P-6A	
Sunday	\$0.00	\$0.00	\$2/Hr	\$2/Hr	\$0.00
Sunday Parameter	6A-1P	6A-1P	6P-6A	6P-6A	6A-1P
Monthly Rates					
24/7	\$250	\$225	\$225	\$225	\$225
7A-7P	\$225	\$175			
24/7 Outdoor					
Reserved					
Evening Monthly (After 4P)					
Reactivation Fee		\$25		\$25	\$25
Monthly Invoice Fee	\$2.99	\$2.99	\$2.99	\$2.99	\$2.99

EXHIBIT B (1 OF 2)
METERED SPACES AND METERS

Metered Spaces: The City has three hundred eighty-four (384) individual Meters with corresponding Metered Spaces throughout the City's historic district at the following locations (also see the map provided in the Bid):

- Market Street
- Main Street
- South Street parking lot
- West Street
- Calvert Street
- Maryland Avenue
- Prince George Street
- Francis Street
- Donner parking lot
- Newman Street parking lot
- Dock Street

The City also has five (5) "Pay and Display" multi-space Meters covering an additional one hundred fifty (150) Metered Spaces with two (2) such Meters at the City's Gotts Garage Lot and the other three (3) at the City Dock.

Complimentary and Discounted Parking: In connection with Section 3(m) of the Agreement, the City, in its sole discretion, may validate parking for any of the Metered Spaces in order to provide complimentary and/or discount parking. All validated parking shall be tracked and reported to the City as part of the Monthly Reports.

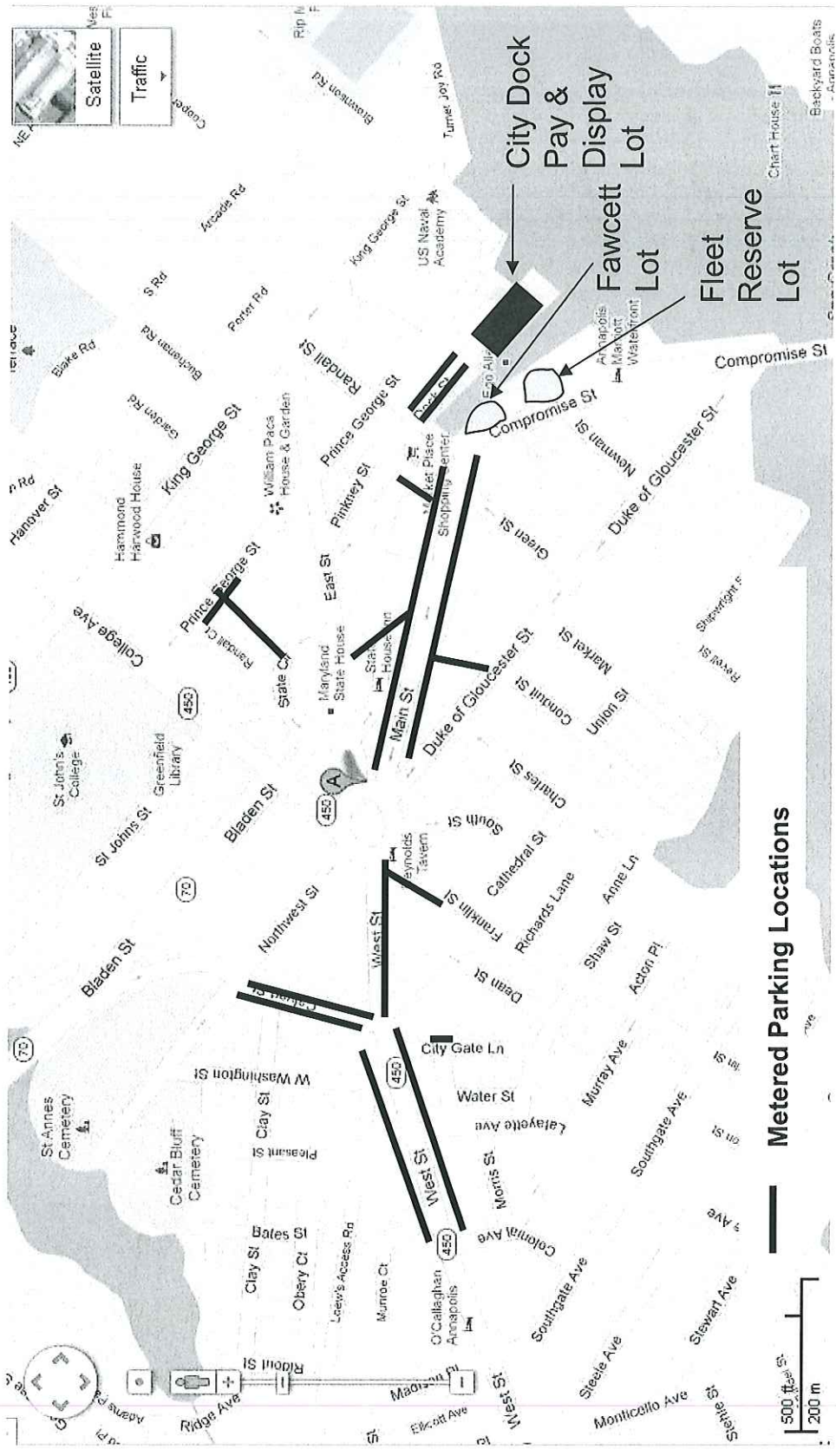
Meter Rates and Meter Hours: The City shall approve all parking rates and rate adjustments for the Metered Spaces (collectively, the "**Meter Rates**"), and shall approve all hours of operations for the Meters (the "**Meter Hours**"). Subject to a Change Order under Section 34 of the Agreement, and any applicable adjustment in Operating Expenses in the Budget, the City reserves the right to establish differing Meter Hours and/or Meter Rates during local or state emergencies or other force majeure events (as further described in Section 23 of the Agreement), or for holidays or other special events. The Meter Rates and Meter Hours in effect at the commencement of this Agreement are specified in the following pages.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT B (2 OF 2)
METERED SPACES AND METERS**

[SEE ATTACHED PAGE]

City of Annapolis Parking Meter Locations



Meter Locations	No. of Meters	Cost of Meters	Meter Limit	Time of Enforcement Mon - Sat	Time of Enforcement Sun
Main Street (Sth of Conduit St)	40	\$1.00/hr	2-Hour	10AM - 7:30PM	Noon - 7:30PM
Main Street (Nth of Conduit St)	49	\$1.00/hr	2-Hour	10AM - 7:30PM	Noon - 7:30PM
Francis Street	11	\$1.00/hr	2-Hour	10AM - 7:30PM	Noon - 7:30PM
Cornhill Street	2	\$1.00/hr	30-min	10AM - 7:30PM	Noon - 7:30PM
Maryland Avenue	27	\$1.00/hr	2-Hour	10AM - 7:30PM	Noon - 7:30PM
Prince George Street	7	\$1.00/hr	2-hour	10AM - 7:30PM	Noon - 7:30PM
Calvert Street	25	\$1.00/hr	2-hour	10AM - 7:30PM	Noon - 7:30PM
West Street	29	\$1.00/hr	2-Hour	10AM - 7:30PM	Noon - 7:30PM
Market Space	39	\$1.00/hr	30 2-Hour (9 30-min)	10AM - 7:30PM	Noon - 7:30PM
City Dock	66	\$1.00/hr	⁵⁹ 2-Hour (5 30min, 2 15min)	10AM - 7:30PM	Noon - 7:30PM
Fawcett Lot	23	\$1.00/hr	2-Hour	10AM - 7:30PM	Noon - 7:30PM
Fleet Reserve Lot	28	\$1.00/hr	10-hour	10AM - 7:30PM	Noon - 7:30PM
Franklin Street	6	\$1.00/hr	2-hour	10AM - 7:30PM	Noon - 7:30PM
Larkin Lot	8	\$1.00/hr	2-hour	10AM - 7:30PM	Noon - 7:30PM
Conduit Street	8	\$1.00/hr	2-hour	10AM - 7:30PM	Noon - 7:30PM

Annapolis On-Street Parking System

Neighborhood	Paid Spaces	2014 Paid Hours	2014 Hourly Rate	Meter Type
Calvert Street	19	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Cathedral Street	8	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
City Gate Lot	7	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Conduit Street	7	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Cornhill Street	2	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Dock Street	66	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Fawcett Lot	25	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Fleet Lot	26	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Francis Street	10	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Franklin Street	6	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Green Street	2	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Main Street	98	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Market Space	39	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Maryland Avenue	24	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Prince George Street	7	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
West Street	38	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
Gotts Court	30	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	Single Space
City Dock	120	10 am – 7:30 pm, Mon – Sat 12:00 pm – 7:30 pm Sun	\$ 2.00	2 Multi Space Kiosks
TOTAL	534			3 Multi Space Kiosks

**EXHIBIT C
ENFORCEMENT PROGRAM**

The Operator, on behalf of the City, shall enforce the parking laws at the Facilities and the Metered Spaces in accordance with Title 12 of the Code of the City of Annapolis, as may be amended (the “**Code**”), generally, and specifically with Chapter 12.24 of the Code for the Meters and Chapter 12.28 of the Code for the Facilities. The Operator shall comply with all Code requirements related to snow emergencies pursuant to Chapter 12.40 of the Code.

The Operator, on behalf of the City, shall further enforce the parking laws at the Facilities and the Metered Spaces in accordance with its “Best Practices” policy(s) and procedure(s), as approved by the City and as incorporated into this exhibit by a Change Order(s).

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT D
PERMIT PROGRAM**

The Operator, on behalf of the City, shall enforce the Permit Program in accordance with Title 12 of the Code of the City of Annapolis, as may be amended (the “**Code**”), generally, and specifically with Chapter 12.32 of the Code. The Operator shall comply with all Code requirements related to snow emergencies pursuant to Chapter 12.40 of the Code.

The Operator, on behalf of the City, shall further enforce the Permit Program in accordance with its “Best Practices” policy(s) and procedure(s), as approved by the City and as incorporated into this exhibit by a Change Order(s).

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT E
MOBILE PLATFORM**

The Operator shall initially engage Parkmobile to provide the Mobile Platform for the Facilities and the Metered Spaces, as further described in the Proposal and any Change Order for this exhibit. Pursuant to the Change Order process in Section 34 of the Agreement, the Operator may subsequently change service providers for the Mobile Platform.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT F
VALET SERVICES**

The scope and detail of the Valet Services is subject to further discussion and negotiation between the parties, after which this exhibit shall be updated pursuant to the Change Order process in Section 34 of the Agreement. Initially, the Operator shall only provide the Valet Services for the first three (3) consecutive Thursdays in December each Contract Year, with rates and hours of service to be subsequently agreed to by the parties by a Change Order.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT G
SHUTTLE SERVICE**

The scope and detail of the Shuttle Service is subject to further discussion and negotiation between the parties, including the Recommendations as described in Section 3(g) of the Agreement, after which this exhibit shall be updated pursuant to the Change Order process in Section 34 of the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

EXHIBIT H MARKETING SERVICES

The Operator's Proposal, included herein by reference, includes a detailed marketing plan for all of the Facilities describing how the Operator shall enhance the Facilities' patronage, public image, advertising, outreach, and area merchant coordination. The target markets for the Facilities are addressed in that Proposal and its included marketing plan, as well as plans for increasing Facility patronage. The Operator's Proposal also describes marketing strategies by marketing segments that have been successfully employed by the Operator at comparable facilities, including courtesies or amenities for its monthly and daily customers, and addressing the varied businesses (including retailers, restaurants and hotels) and residential community's needs in the areas surrounding the Facilities.

The Operator's Proposal further describes the website for the Services that integrates general parking information, real time parking availability and accepts web payments, which shall be developed and maintained by the Operator pursuant to the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

EXHIBIT I CONSULTING SERVICES

The Operator shall provide professional consulting services to produce a parking utilization and analysis study (the “**Study**”) for the City’s five (5) special parking districts. The Study shall identify the most practical and efficient number and location of parking spaces downtown in the City, examining all technically and financially viable options for parking supply. The Study shall incorporate a review of current and past City planning documents and recommendations. The Study shall additionally address the relationship between businesses and parking in the City.

The Study shall identify the current parking inventory, as well as the needs for the Downtown and Inner West Street business overlay zones in the City, and shall include, at a minimum, an analysis of all available private and public parking (including garages, lots, driveways, on-street and loading spaces). The Study shall include a peak demand and time analysis for the Downtown and Inner West Street business overlay zones in the City.

The Study shall accomplish an assessment of needs vs. capacity to establish the parking capacity and needs of the stakeholders (which include business, tourists, churches, employees and residents), and in order to better manage parking in the City and to allow the City to make educated decisions regarding its parking capacity issues and needs.

In addition to the items specified above, the results of this Study shall include:

- A summary of existing parking activity in the City to determine occupancy, duration, seasonal variation and mode share factors for the existing use of (downtown) City parking.
- A matrix illustrating the relationship between daily demand, observed utilization and the rate charged for parking in the City, which matrix may be accomplished by computing parking price demand elasticity based on historical parking data and information gathered through this effort.

The Operator shall initially submit a written draft report to the City summarizing the results of the Study, as described in this exhibit and the Bid, and including summaries of all data collected on current use. The parties shall mutually work together to finalize the draft report, which final report shall be included as a part of this exhibit pursuant to the Change Order process in Section 34 of the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT J
INCENTIVE FEES AND KPIS**

The scope and detail of the Incentive Fees and the KPIs, as described in Section 6(b) of the Agreement, are subject to further discussion and negotiation between the parties, after which this exhibit shall be updated pursuant to the Change Order process in Section 34 of the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT K
UNAMORTIZED BALANCE**

The scope and detail of the Unamortized Balance, as described in Section 14(a) of the Agreement, is subject to further discussion and negotiation between the parties, after which this exhibit shall be updated pursuant to the Change Order process in Section 34 of the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT L
RMS EQUIPMENT BALANCE**

The scope and detail of the RMS Equipment Balance, as described in Section 14(b) of the Agreement, is subject to further discussion and negotiation between the parties, after which this exhibit shall be updated pursuant to the Change Order process in Section 34 of the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT M
VEHICLES**

The scope and detail of the Vehicles, as described in Section 14(c) of the Agreement, are subject to further discussion and negotiation between the parties, after which this exhibit shall be updated pursuant to the Change Order process in Section 34 of the Agreement.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

**EXHIBIT N
CHANGE ORDER**

Change Orders to the Agreement shall be processed pursuant to Section 34 of the Agreement, and on the form attached to this exhibit. All fully executed Change Orders shall be attached as a part of this exhibit.

THE ABOVE ARE IN ADDITION TO ANY OTHER TERMS OR PROVISIONS AS SET FORTH IN THE BID.

[SEE ATTACHED FORM/PAGES]

Project: CITY OF ANNAPOLIS MANAGEMENT AGREEMENT (CENTRAL PARKING SYSTEM OF MARYLAND, INC.)

Change Order No: _____

Date Submitted: _____

Date Fully Executed: _____

CHANGE ORDER

THE OPERATOR IS HEREBY DIRECTED TO INCORPORATE THE FOLLOWING CHANGE:

1. **ORIGIN**

- City initiated change.
- Operator initiated change.
- Uncontrollable circumstance.

2. **DESCRIPTION OF CHANGE**

3. **BUDGET**

- No change.
- Budget increase.¹
- Budget decrease.¹
- Reallocation of Funds.²
- Use of Contingency Fund.²

4. **REASONS FOR CHANGE**

- Additions, deletions or revisions to Services.¹
- Increase of Operating Expenses/Budget.¹
- Changes in Operator's Insurance.²
- Changes in Unamortized Balance or RMS Equipment Balance.¹
- Purchase/Finance of Replacement or New Equipment.¹
- Loss or Damage to Facilities.¹
- Resolution of Dispute.¹
- Force Majeure Event.¹
- Sale of Facilities or Other Change in Equipment.¹
- Changes to any of the rates, hours of operation and/or discount programs for Facilities/Metered Spaces/Shuttle Service.²
- Changes to any of the Agreement's exhibits.²
- Other: _____

¹ Requires execution by all signatures of both parties.

² Requires execution by Operator, Finance Director and Annapolis Department of Transportation Director.

ACCEPTED BY OPERATOR

Central Parking System of Maryland, Inc.

Operator- Christopher Sherman

By: Christopher Sherman, Senior Vice President

Date

ACCEPTED BY CITY

Annapolis Department of Transportation

By: Rick Gordon, Director

Date

Finance Department

By: Bruce Miller, Director

Date

City of Annapolis

By: Michael J. Pantelides, Mayor

(seal)

Date

City of Annapolis, Attest

By: Regina C. Watkins-Eldridge, MMC, City Clerk

Date

City of Annapolis

By: Thomas C. Andrews, City Manager

Date

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Office of the City Attorney

By:

Date

¹ Requires execution by all signatories.