PORT OF PASCO
Pasco, Washington

TRI-CITIES AIRPORT

Terminal Automobile Parking Concession Agreement

November 28, 2018

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THIS AGREEMENT is made and entered into this 28th day of November, 2018, by and between the PORT OF PASCO, a municipal corporation organized under the laws of the State of Washington, hereinafter called the "Port", and Republic Parking System, LLC, a Limited Liability Company organized under the laws of the State of Tennessee hereinafter called "Concessionaire".

1. BASIS OF AGREEMENT

The Port is the owner of the Tri-Cities Airport in Pasco, Franklin County, Washington, and is the owner and operator of parking lots at the Tri-Cities Airport, ("Airport"). The Port charges fees for public automobile parking at the Airport parking lots. The Port does not charge fees to airport and tenant employees in the employee parking lot. Concessionaire represents that it is experienced in the business of operating parking facilities for cars, trucks and other motor vehicles, and possesses the necessary expertise to operate airport parking facilities. The Concessionaire is willing to undertake the operation of such parking facilities under a concession arrangement, and the parties heretofore enter into this Agreement.

This Agreement consists of the following documents, which are incorporated herein by this reference. In the event of a conflict in requirements, proposals or provisions between or among any of these documents, the Agreement shall take precedence over all other documents:

(1) This Terminal Automobile Parking Concession Agreement as executed by the parties;
(2) The Request for Proposals, Terminal Automobile Parking Concession;
(3) Any addendum issued to the Request for Proposals;
(4) The Proposal Letter.

2. PREMISES

The Premises which the Port will permit the Concessionaire to occupy as part of this Agreement consists of the short-term, long term, credit card and non-paid employee parking lots, as depicted on the attached Exhibit A (the "Premises"), together with improvements and equipment associated with the parking lot operation, as described in the attached Exhibit B, that are situated in the parking lot and terminal building facilities at the Airport. Such Premises includes all areas available to members of the general public for paid parking of vehicles, whether improved or unimproved and the employee parking lot, but excluding parking for, Port staff and officials, taxis, Transportation Network Companies, limousines, police vehicles, persons maintaining, supplying or servicing the Tri-Cities Airport Terminal Building ("Terminal Building") or the equipment of the Port or its tenants; airlines and contractors of the Port and its tenants, and shall further exclude rental motor vehicles of car rental operators when not in rental use. The employee lot is non-paid parking for employees of airport tenants, but will be managed by the Concessionaire.

3. TERM

The duration of this Agreement shall be for a period of five (5) years, commencing February 1,

2019, and ending January 31, 2024. Concessionaire acknowledges that Port has established the parking facility at the Airport in order to accommodate and serve the traveling public and patrons of the Airport, and that poor service, or unprofessional or rude conduct in treatment of the public is detrimental to Port's goal of providing the very best Airport facility possible for its constituents, and other users of the Terminal Building. Therefore, in addition to termination for an uncured default as set forth in Paragraph 21 of this Agreement, Port may terminate this Agreement if the parking lots are not being operated so as to accomplish the above-described goal. Port may terminate this Agreement if (l) there have been excessive customer complaints, as determined by the Port in its sole discretion, about the service provided by the Concessionaire;
or, (2) if there have been more than four (4) violations of provisions of this Agreement resulting in the sending of a notice to Concessionaire demanding compliance with this Agreement. In the event that the Port desires to terminate the Agreement on the basis of this provision, Port will give notice to Concessionaire of 30 days as prior written notice. Port will notify Concessionaire of each customer complaint received within a reasonable time of receipt of the complaint.

4. CONTRACT RENT

Concessionaire shall pay the sum of $9,750 per month as contract rent for the Premises ("Contract Rent'), which represents the agreed and equitable contract rent fee as defined by RCW 82.29A for the space occupied by the Concessionaire. Concessionaire will pay all leasehold excise tax, personal property tax and business & occupation tax required by the State of Washington relating to this agreement.

5. ACCOUNTING AND CONCESSION FEES

A. Concessionaire shall institute revenue control procedures for the public parking facilities to control ingress and egress, and procedures for the collection of proper fees in accordance with the approved rate schedule in effect. Concessionaire must provide a copy of a manual containing such procedures with appropriate updates, submitted prior to implementation of this Agreement. All such procedures must be approved in writing in advance by the Airport Director.

B. In addition to Contract Rent, The Port shall impose a concession fee based on Gross Receipts ("Percentage Concession Fee'), which Concessionaire covenants and agrees to pay. The amount thereof is set forth in Subsection 5D of this Agreement.

   As used in this Agreement, the term "Gross Receipts" shall mean the total sum of money paid or payable by any customer to the Concessionaire for, or in connection with, using the public parking facility, regardless of how or when payment is made; excluding the percentage reduction retained by credit card companies as the credit card company fee for that transaction as well as sales and use taxes imposed by local municipalities and the State.

   Total sum paid by any customer to Concessionaire
   Less credit card fees
   Less sales and use tax

Equals Gross Receipts

C. Concessionaire shall be entitled to collect and receive any and all parking revenues from the Premises, including, without limitation, towing service fees and any other charges imposed by the Concessionaire on parking customers related to operation of the parking facilities, all of which are part of Gross Receipts which are required under this Agreement to be collected and held in trust by the Concessionaire for the benefit of the Port. The parking rates imposed by Concessionaire shall be the same as those rates charged by the Port immediately before execution of this Agreement as specified in Exhibit C - Current Parking Rates. The Port shall retain the right from time to time to modify parking rates to such rates as the Port determines in its sole discretion provided that parking rates shall not be established below the rates at the time of executing this Agreement.

D. Concessionaire agrees to remit and pay to the Port the greater of the Minimum Monthly Guarantee and the Percentage Concession Fees set forth below, computed for each month as annual Gross Receipts accumulated during each year of the five-year term of this Agreement as shown on the following page:

Year One of the Agreement Term

Minimum Monthly Guarantee: **$70,000**

55%	of cumulative annual Gross Receipts between	$ 0	$ 750,000
100%	of cumulative annual Gross Receipts between	$ 750,001	$ 900,000
95%	of cumulative annual Gross Receipts between	$ 900,001	$ 1,000,000
93%	of cumulative annual Gross Receipts between	$ 1,000,001	$ 1,500,000
94%	of cumulative annual Gross Receipts in excess of	-	$ 1,500,001

Year Two of the Agreement Term

Minimum Monthly Guarantee: **$70,000**

55%	of cumulative annual Gross Receipts between	$ 0	$ 750,000
100%	of cumulative annual Gross Receipts between	$ 750,001	$ 900,000
95%	of cumulative annual Gross Receipts between	$ 900,001	$ 1,000,000
93%	of cumulative annual Gross Receipts between	$ 1,000,001	$ 1,500,000
94%	of cumulative annual Gross Receipts in excess of	-	$ 1,500,001

Year Three of the Agreement Term

Minimum Monthly Guarantee: **$70,000**

55%	of cumulative annual Gross Receipts between	$ 0	$ 750,000
100%	of cumulative annual Gross Receipts between	$ 750,001	$ 900,000
95%	of cumulative annual Gross Receipts between	$ 900,001	$ 1,000,000
93%	of cumulative annual Gross Receipts between	$ 1,000,001	$ 1,500,000
94%	of cumulative annual Gross Receipts in excess of	-	$ 1,500,001

Year Four of the Agreement Term

Minimum Monthly Guarantee: **$70,000**

55%	of cumulative annual Gross Receipts between	$ 0	$ 750,000
100%	of cumulative annual Gross Receipts between	$ 750,001	$ 900,000
95%	of cumulative annual Gross Receipts between	$ 900,001	$ 1,000,000
93%	of cumulative annual Gross Receipts between	$ 1,000,001	$ 1,500,000
94%	of cumulative annual Gross Receipts in excess of	-	$ 1,500,001

Year Five of the Agreement Term

Minimum Monthly Guarantee: **$70,000**

55%	of cumulative annual Gross Receipts between	$ 0	$ 750,000
100%	of cumulative annual Gross Receipts between	$ 750,001	$ 900,000
95%	of cumulative annual Gross Receipts between	$ 900,001	$ 1,000,000
93%	of cumulative annual Gross Receipts between	$ 1,000,001	$ 1,500,000

94% of cumulative annual Gross Receipts in excess of - $ 1,500,001

E. The Minimum Monthly Guarantee shall be paid by the first calendar business day of the month, and each month thereafter throughout the term of this Agreement. Within fifteen (15) days after the close of each month during the term hereof, Concessionaire shall submit to the Port a statement in writing in a form and with details satisfactory to the Tri-Cities Airport, showing the amount of Gross Receipts of all business conducted pursuant to this Agreement during the preceding month. If Percentage Concession Fees are calculated to be higher than the Minimum Monthly Guarantee (MMG), the difference between the Percentage Concession Fee and the MMG shall be paid to the Port concurrent with submission of the statement of Gross Receipts noted above. The MMG is a monthly obligation under this Agreement and Percentage Concession Fees will not be annualized at the end of each year to result in a credit or refund for any individual month.

Within ninety (90) days after the close of each Agreement year, Concessionaire shall submit to the Port a Gross Receipts statement certified to be true and correct by a certified public accountant licensed to practice in the State of Washington showing the amount of said Gross Receipts of all business conducted pursuant to this Agreement during the preceding Agreement year.

F. Concessionaire agrees to make all of its books and records pertaining to this operation available to the Airport Director and/or Certified Public Accountant designated by the Port. Said books and records shall be made available on request at any reasonable time.

G. All concession fee payments shall be made to the Port as the same become due in lawful money of the United States of America, at such place as hereafter may be designated by Port by written notice directed to Concessionaire from time to time.

H. In the event certain concession operators at the Airport want a validation program for their customers, the Concessionaire can establish a written validation program with terms and conditions acceptable to it and approved in writing by the Port.

6. PERFORMANCE BOND

Concessionaire shall, upon the execution of this Agreement, file and shall thereafter always maintain with the Port a good and sufficient corporate performance bond or bonds or such other security as to the Port may be acceptable in an amount equal to three (3) times the Minimum Monthly Guarantee as set forth in Section 4E of this Agreement during each year of this Agreement. The form and terms of such bond or bonds or other security shall be subject to the approval of the Port.

7. USE OF PREMISES

A. Concessionaire shall use the public parking facility as a parking and storage facility for motor vehicles. Concessionaire shall not conduct a public parking facility at any other place on Airport property except as the Port or the Airport Director specifically designates.

B. Concessionaire shall use the Premises solely to operate a public parking facility in the paid parking lots at the Airport and for incoming/outgoing passengers using the Airport. The Concessionaire shall use the employee parking lot solely to operate a non-paid employee parking lot for employees of the Airport. Concessionaire shall use the entire Premises solely for the conduct of said services in a first-class manner continuously during the entire term of this Agreement, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or for other reasons beyond Concessionaire's reasonable control and with notification and approval of the Airport Director.

Concessionaire shall not commit nor suffer to be committed any waste upon the Premises or improvements, nor any nuisance or other act or thing which may disturb the quiet enjoyment or the use of the Airport or surrounding property.

C. Concessionaire acknowledges that part of the consideration flowing to the Port in the granting of concession privileges to the Concessionaire is to ensure that the public will be well and conveniently served by the parking concession at the Tri-Cities Airport. Concessionaire therefore covenants and agrees that such facilities will be open and available to the public 24 hours per day, seven days a week, 365 days a year. Any variance from these hours of operation must be approved in writing by the Port.

8. PARKING REGULATIONS

The Port agrees that free public parking (except as otherwise provided herein) shall not be authorized in and around the Airport terminal area including any vacant land and/or roadways surrounding the Airport terminal area. The Concessionaire acknowledges a hotel with a parking lot is located in the Airport Business Center. The hotel parking lot is for hotel patrons only, which may include airport parking as part of hotel stay package. The Port agrees at its expense to regulate and enforce parking to assure that parking shall be within the public parking facility. The Concessionaire acknowledges a cell phone parking lot may be constructed during the term of this agreement. Further, the Port agrees to assist and cooperate with Concessionaire to prevent free and/or unauthorized or illegal parking around the Airport terminal area, which shall include policing violators and/or erecting barricades to prevent free and/or unauthorized or illegal parking. This provision applies to public parking only and shall not apply to the Port staff and officials, taxis, limousines, police vehicles, persons maintaining, supplying or servicing Tri-Cities Airport facilities or the equipment of the Port or its tenants; airlines and their Terminal Building employees; other Airport tenants/concessionaires and their employees; and contractors of the Port and its tenants, and shall further exclude rental motor vehicles of car rental operators when not in rental use.

Terminal Building tenants and their employees, including Concessionaire, and employees of the Port shall be required to park within areas so designated by the Airport Director to the extent that there are sufficient spaces therefore. The Concessionaire will manage the non-paid employee parking lot. The Concessionaire will provide access cards to airport employees at no charge. The cost of operations in the non-paid lot will be paid for by the Concessionaire. Employees of the airport and its tenants will not be charged to park without permission from the Port.

The Port and its authorized representatives, including but not limited to vehicles from Airport, public works, police and fire, shall have at all times the full and unrestricted right to enter the Premises for the

purposes of inspecting the same and of doing any and all things which may be necessary for the proper, secure and safe operation of the Airport.

9. UTILITIES

The Port shall provide at its expense and pay for all electric power, water, sewer and garbage disposal charges that Concessionaire uses in its operations, including but not limited to electricity for lighting. The Port shall keep at its expense all utility equipment and improvements in good operating condition and repair including electric lighting, lighting fixtures, lamps, wiring and connections for electrical power.

Concessionaire shall provide at its sole expense and pay for all other utility charges it incurs in its operations, including (but not limited to) telephone, internet, data transmission and security.

10. MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS

A. Concessionaire shall keep all equipment and improvements owned by the Port (including the equipment depicted in Exhibit B) or it owns and/or which are utilized for its use in the parking operation in good repair and operating condition, including repainting the booth and gates when needed, and repainting the parking stripes within the Premises during the five-year term of this Agreement. The Concessionaire will determine if updates to the Port's revenue control software are needed for operating efficiency and will install such updates at its own expense. Ownership of any updates will vest with the Port.

B. Concessionaire shall maintain all signage in good repair and operating condition.

C. Concessionaire shall not permit rubbish, debris, trash, waste material or anything detrimental to health, unsightly or dangerous conditions on the Premises to accumulate and shall promptly dispose of any such materials.

D. So as to ensure continued availability and suitability of areas for public parking, the Port shall plow snow within the Premises when the depth exceeds four (4) inches or on an "as needed" basis to be agreed upon by the parties. Concessionaire shall apply ice melt to road surfaces at and near gate entrances, ticketing dispensers and gate arms when winter weather conditions warrant at its expense.

E. Concessionaire shall repair any damage to the Premises to the extent caused by its employees, agents or contractors.

11. INSPECTIONS AND ACCESS

The Port reserves the right to inspect the Premises including any chattels or equipment of the Port located thereon, at any and all reasonable times throughout the term of this Agreement; provided, that it shall not interfere unduly with Concessionaire's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises and

shall impose no liability upon the Port for failure to make such inspection. Port shall retain space in any parking toll booth to store and locate equipment/supplies for emergency/security purposes deemed necessary by the Port in its sole discretion at any time without prior notice to the Concessionaire.

12. SIGNS

No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on or within the Premises, including the windows and doors of the buildings thereon, without prior written approval of Port.

13. DAMAGE OR DESTRUCTION

In the event fire or other casualty does damage to the Premises to the extent of more than 20% of its replacement value, and whether or not the Port is carrying insurance against said hazard, the Port may elect to terminate this Agreement by giving notice to Concessionaire in writing of its election either to terminate the Agreement or repair the damage, and said notice shall be given in writing within 45 days after casualty has occurred. In the event the Port elects to repair the damaged Premises, it shall do so promptly and expeditiously and complete the same in an expedient manner. Concessionaire's concession fees to the extent of the Concessionaire's diminished use of the Premises shall be proportionately reduced, or shall abate if the parking lots are unusable, until such time as restoration has been completed by the Port. The Port shall have complete choice as to what materials it shall use in making the restoration. If the Port by notice terminates this Agreement due to such casualty, then all obligations of the Port and Concessionaire to comply with the terms of this Agreement after the casualty has occurred shall cease, except if Concessionaire owes any unpaid rent or concession fees, owes for utilities or owes any other obligations under this Agreement which obligations are not paid for at the time the casualty occurs, then such payment shall be promptly made by Concessionaire after the occurrence of the casualty.

14. INDEMNIFICATION - LIABILITY INSURANCE

A. The Port, its officers, employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Concessionaire or by others as a result of any condition (including existing or future defects in the Premises) or occurrence whatsoever related in any way to the Premises and the areas adjacent thereto or related in any way to Concessionaire's use or occupancy of the Premises and of the areas adjacent thereto. Concessionaire agrees to defend and to hold and save the Port harmless from all liability or expense (including attorney fees and other expenses of litigation) in connection with any such items of actual or alleged injury or damage. Concessionaire covenants and agrees to provide, at its expense, on or before the commencement of this Agreement, and to keep in force during the term of this Agreement, and any renewal thereof, the following insurance coverages naming Port and Concessionaire as insured parties a comprehensive general liability insurance policy ("Liability Policy"), including, without limitation, blanket contractual liability coverage, broad form property damage, independent contractor's coverage and personal injury coverage of not less than

$2,000,000 combined single limit per occurrence for bodily or personal injury (including death) and property damage, protecting Port, its officers, employees or agents, and Concessionaire against any liability whatsoever occasioned by any occurrence related to or arising out of the Agreement.

B. Port agrees to defend and to hold and save the Concessionaire harmless from liability or expense (including attorney fees and other expenses of litigation) for any injury or damage caused solely by the gross negligence of the Port or its employees.

C. Concessionaire shall be utilizing a vehicle as part of the equipment associated with operations of the parking lot. Concessionaire shall maintain liability and property damage insurance on said vehicle with limits of not less than $1,000,000 for the liability coverage and in the amount not less than the full replacement cost insurance value on the property damage. Such insurance shall have a loss payable clause for the property damages to the Port.

D. The Port shall be named as an additional insured and shall be furnished with a certificate of insurance by Concessionaire's insurer evidencing the coverage under such policy or policies of insurance, and that such policy or policies will not be cancelled or changed without 30 days prior written notice to the Port.

15. WAIVER OR SUBROGATION

Port and Concessionaire hereby mutually release each other from liability and waive all rights of recovery against each other for any loss from perils insured against under their respective fire insurance and property damage insurance coverages, including any extended coverage endorsements thereto. Provided that this Paragraph 14 shall be deemed inapplicable if it would have effect only to the extent of invalidating any insurance coverage of Port or Concessionaire.

16. INCREASE IN COST OF INSURANCE

Concessionaire shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the terms of this Agreement, may be added to the amount of concession fee hereinabove specified and shall be paid by Concessionaire to the Port upon the monthly payment next thereafter occurring.

17. TAXES

Concessionaire shall be liable and shall pay for, at its sole expense throughout the term of this Agreement before delinquency, all personal property taxes, license and applicable permit fees, business & occupancy taxes, and sales & use taxes covering parking operations conducted on the Premises and all leasehold excise taxes that are attributable to the leasehold portion of this Agreement.

18. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS

Concessionaire agrees to comply with all reasonable rules and regulations of the Port pertaining to the building or other reality of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Concessionaire further agrees to comply with all applicable federal, state and municipal laws, ordinances and regulations. Any fees for any inspection of the Premises during or for the term of this Agreement by any federal, state or municipal officer and the fees for any so called "Certificate of Occupancy" shall be paid by Concessionaire.

19. ASSIGNMENT OR TRANSFER

Concessionaire shall not assign or transfer this Agreement or any interest therein nor surrender possession of the whole or any part of the Premises, nor shall this Agreement of any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the written consent of the Port first had and obtained. If the Port shall give its consent to any such assignment, this paragraph shall nevertheless continue in full force and effect and no further assignment shall be made without the Port's prior written consent.

20. ADDITIONAL OBLIGATIONS OF CONCESSIONAIRE

Concessionaire hereby covenants and agrees:

A. To furnish prompt and efficient service that is sufficient to meet all reasonable demands for a public parking facility at the Airport. Concessionaire shall maintain the facility, its fixtures and appurtenances in good operating order, free from known mechanical defect, and in a clean, neat and attractive condition.

B. To employ a "resident manager" at all times during the term of this Agreement. The resident manager shall reside locally. The Concessionaire shall require its personnel who deal with the traveling public using the Airport to be neat, dressed in uniform, clean and courteous; trained in the performance of their duties; performing their services in a first-class, safe and efficient manner. Concessionaire shall not permit its agents, servants or employees to conduct business in a loud, noisy, boisterous, profane, offensive or objectionable manner.

   In addition, Concessionaire's employees shall provide tire inflators, battery jump start services, flashlights or other potentially helpful tools for the use and benefit of Concessionaire's customers upon and within the Premises.

C. To furnish at its own expense all forms, access cards, tickets, decals, envelopes, uniforms and tools within the Premises, and the office equipment, furniture, materials and supplies needed for the efficient operation of its business. The Port shall provide the existing revenue control system consisting of all gates, ticket dispensers, fee computers, inventory control devices and computers as described in Exhibit B. Concessionaire shall use the Port's revenue control system as described in Exhibit B throughout the term of this Agreement.

D. That in conducting its business on the Airport, it shall observe and obey all applicable laws, ordinances and Airport Rules and Regulations now in force or hereinafter adopted governing its conduct and that of its employees.

E. That it shall pay all operating expenses in connection with the use of the Premises and the rights and privileges hereby granted, including, without limitation, taxes, permit fees and license fees, and that it shall secure all required permits and licenses.

F. That the Port shall be the reasonable judge of the quality and adequacy of service Concessionaire provides as herein specified. In the event the Port shall determine that Concessionaire has failed to comply with the requirements for quality and adequacy of service, it shall give the Concessionaire written notice of such determination as specified hereafter.

21. RELOCATION

It is agreed that the Port may require Concessionaire to relocate facilities or substitute other Premises for those currently available in the event the Port determines that such relocation is necessary for the orderly expansion and development of Airport facilities. In the event of such relocation, the Port will designate a comparable a location with the Port bearing such relocation costs.

22. DEFAULT

A. PAYMENT - A default shall occur if Concessionaire fails to make payment within thirty (30) days of due date.

1) In the event Concessionaire defaults on any payment due under the terms of this Agreement, the Port shall give it a Notice of Default. In the event the Port gives a Notice of Default, Concessionaire shall have three (3) business days from receiving such notice within which to bring all payments current to the due date of payment. If Concessionaire does not bring payments current, the Port may terminate this Agreement at its option. If the Port gives notice of termination because of default in payment, and payment is not made, Concessionaire shall have three (3) business days from receiving said notice to vacate the Premises.

2) In the event Concessionaire defaults on a payment, the Port shall have the right to require an audit of Concessionaire's books at Concessionaire's sole, exclusive expense.

3) In the event Concessionaire defaults on a payment, it shall owe the Port a late payment fee equal to ten percent (10%) of the amount by which Concessionaire is delinquent. The late payment fee shall be payable at the same time as the payment to cure default as set forth in Paragraph 21.A 1) above.

B. OTHER TERMS AND CONDITIONS - In addition to all other termination rights contained herein, the Port shall have the option to cancel this Agreement if any one or more of the following events or defaults occur:

1) If Concessionaire breaches or fails to perform any of the terms, covenants or conditions of this Agreement or fails to keep in force any of the required insurance policies after being given twenty (20) days written notice to cure and the default has not been cured by Concessionaire;

2) If Concessionaire, after twenty (20) days written notice to cure fails to abide by applicable laws, ordinances, rules and regulations of the United States, the State of Washington, the County of Franklin, the City of Pasco and the Port;

3) Notwithstanding anything to the contrary contained in the foregoing default clause, the parties hereto agree that if the Concessionaire shall have defaulted in the performance of any terms or conditions of this Agreement for three or more times during any 12-month period during the term hereof, then such conduct shall at the election of the Port, represent a separate event of default which cannot be cured by the Concessionaire. Concessionaire acknowledges that the purpose of this provision is to prevent repetitive defaults by the Concessionaire under the Agreement which work a hardship upon the Port and deprive the Port of the timely performance by the Concessionaire hereunder.

C. REMEDIES - Except as previously provided in this Agreement, upon Concessionaire's default under this Agreement, after giving notice in writing specifying the nature of said default and demanding that such default be cured or corrected, if necessary under the terms of this Agreement, the Port may, at its sole option, upon thirty (30) days' notice of the intent to do so, immediately terminate this Agreement and re-enter and take possession of the Premises. In all defaults, however, Concessionaire agrees to pay all costs, including reasonable attorney fees the Port incurs as a result. In the event Concessionaire shall file a petition in bankruptcy or be adjudged bankrupt or insolvent by a court of competent jurisdiction or make any assignment for the benefit of creditors, the Port immediately may terminate this Agreement at its option without regard to curative time periods. If Concessionaire, after one (1) day's prior written notice to cure, should abandon and discontinue operating the public parking facility at the Airport for any period of time, this Agreement shall be immediately terminated at the Port's sole option. The rights and remedies herein granted to the Port shall be in addition to any other rights and remedies to which the Port is entitled and not in lieu thereof.

23. <u>CANCELLATION BY CONCESSIONAIRE</u>

Concessionaire may cancel this Agreement:

A. In the event the Airport is permanently abandoned as an Airport terminal serving scheduled airlines;

B. The United States government or any authorized agency thereof lawfully assumes the Airport operation and control in such manner as to substantially restrict Concessionaire from operating for a period of at least ninety (90) days;

C. In the event a court issues an injunction which prevents or restrains the use of the Airport for a period of at least ninety (90) days; or.

D. In the event the Port is in default under this Agreement for a period of thirty (30) days after written demand from Concessionaire to remedy the same. In the event of cancellation under this Paragraph 22.D, Port shall reimburse Concessionaire on a straight-line basis for the cost of equipment and improvements installed on the Premises by Concessionaire at its own expense.

24. TERMINATION FOR GOVERNMENT USE

In the event that the United States Government or any agency or instrumentality thereof shall by condemnation or otherwise, take title, possession or the right to possession of the Premises or any part thereof, either party may, at its option, terminate this Agreement as of the date of such taking.

25. TERMINATION BECAUSE OF COURT DECREE

In the event that any court having competent jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Agreement, then either party hereto may terminate this Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate.

26. INSOLVENCY

If the Concessionaire shall file a petition in bankruptcy, or if Concessionaire shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Concessionaire shall be appointed in any proceeding brought by or against Concessionaire, or if Concessionaire shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Concessionaire's interest in the Premises or on any personal property kept or maintained on the Premises by Concessionaire, the Port may, at its option, terminate this Agreement.

27. WAIVER

The acceptance of concession payments by the Port for any period or periods after a default by Concessionaire hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Concessionaire in writing. No waiver by the Port of any default hereunder by Concessionaire shall be construed to be or act as a waiver of any subsequent default by Concessionaire. After any default shall have been cured by Concessionaire, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 21 hereof, except a default under Section B

(3) of Paragraph 21, or Paragraph 3.

28. SURRENDER OF PREMISES

At the expiration or sooner termination of this Agreement, Concessionaire shall promptly surrender possession of the Premises to the Port, and shall deliver to the Port all keys that it may have to any and all parts of the Premises.

29. ADVANCES BY PORT FOR CONCESSIONAIRE

If either party shall fail to do anything required to be done by it under the terms of this Agreement, the other party may, after written notice and the opportunity to cure, as herein provided do such act or thing on behalf of the defaulting party, and upon notification of the cost thereof, the defaulting party shall promptly pay the other party the amount of that cost.

30. LIENS AND ENCUMBRANCES

Concessionaire shall keep the Premises free and clear of any liens and encumbrances arising or growing out of Concessionaire's operations. At the Port's request, Concessionaire shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the Premises if not paid.

31. NON-DISCRIMINATION, FEDERAL LABOR STANDARDS ACT, SAFETY REQUIREMENTS

The Concessionaire and its transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the Concessionaire or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program. In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods: (a) The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended , or for another purpose involving the provision of similar services or benefits; or (b) The period during which the airport sponsor or any transferee retains ownership or possession of the property.

A. The Concessionaire for himself/herself, his/her heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) In the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for the purpose for which a Federal Aviation Administration

activity, facility or program is extended or for another purpose involving the provision of similar services or benefits, the Concessionaire will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to this Agreement, in the event of breach of any of the above Nondiscrimination covenants, the Port of Pasco, Tri-Cities Airport, will have the right to terminate the Agreement and to enter, re-enter and repossess said lands and facilities thereon, and hold the same as if the Agreement had never been made or issued.

Fair Labor Standards Act

All contracts and subcontracts that result from this Agreement should incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. The Concessionaire has full responsibility to monitor compliance to the referenced statute or regulation. The Concessionaire must address any claims or disputes that arise from this requirement directly with the U. S. Department of Labor – Wage and Hour Division.

Safety Requirements

All contracts and subcontracts that result from this Agreement incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as given in full text. Concessionaire must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Concessionaire retains full responsibility to monitor its compliance and their contractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Concessionaire must address any claims or disputes that pertain to a referenced requirement directly with the U. S. Department of Labor – Occupational Safety and Health Administration

32. AIRPORT CONCESSIONAIRE DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)

The Port strictly prohibits all unlawful discrimination and preferential treatment in contracting, subcontracting and purchasing, including any Agreements, or subcontracting or purchasing under said Agreements. Additionally, this Agreement is subject to the requirements of the US Department of Transportation's regulation 49 Code of Federal Regulations Part 23. Concessionaire shall comply with the Port's Non-Discrimination Policy and the ACDBE rules and shall not discriminate against any business owner because of the owner's race, color, religion, sex, national origin, ancestry, age, physical or mental disability, marital status, or sexual orientation in connection with its performance under this Agreement. The Concessionaire shall cooperate with the Port in the Port's policies to ensure that contracting, subcontracting and purchasing opportunities available under this Agreement are accessible and available to all qualified

business owners, including the Port Concession Disadvantaged Business Enterprises. Concessionaire acknowledges that the Port is required to develop and obtain approval from the Federal Aviation Administration of an ACDBE plan and the Concessionaire agrees to comply with any applicable provisions of an ACDBE plan approved by the FAA and adopted by the Port and Concessionaire shall comply fully with the reporting provisions. Concessionaire shall commit to a goal of purchasing 2% of goods and services purchases at the PSC location from firms certified as ACDBE in the State of Washington. If the goal is not met, the Concessionaire will submit displays of good faith efforts to meet the goal to the airport administration office.

33. ACDBE REPORTING REQUIREMENTS

Concessionaire shall comply with the Port's Non-Discrimination Policy and the ACDBE Rules and shall not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with its performance under this Agreement, use of premises, subleasing, or purchasing. The Concessionaire shall cooperate with the Port in the Port's program of recruiting, training, providing technical assistance and supportive services to ensure that contracting, subcontracting and purchasing opportunities available under this Agreement are accessible and available to all qualified business owners, including ACDBE's, as defined in the ACDBE Rules. In order to ensure compliance with the Port's Non-Discrimination Policy and the ACDBE Program, the Concessionaire agrees as follows:

1) Concessionaire agrees that within 90 days after the expiration of each Fiscal Year, during the term of the agreement, it will provide a report to the Port, in the form acceptable to the Port, (see attached ACDBE Report – Exhibit d) describing the total dollar amount of its purchases of goods and services during the Fiscal Year from all vendors, the gross revenue, the purchases from ACDBE firms must be listed to include the amount of purchases from ACDBE certified firms, the type of good or service being purchases from ACDBE certified firms, the name, address, and contact information of the certified firm, the type of certification, whether the firm is certified in the State of Washington as an ACDBE firm, the type of minority and the percentage of total purchases that the certified ACDBE purchases represent. Concessionaires shall provide any information necessary to complete the FAA reporting requirements and to keep the Port in compliance with regard to the FAA ACDBE program, including the developing, establishing, meeting and monitoring of the ACDBE goal for car rental companies

2) In the event the Port, as part of its plan to comply with the ACDBE Program Rules, adopts a plan (an "ACDBE" plan), Concessionaire comply with the terms and conditions of such ACDBE Plan applicable to Rental Car Companies.

3) The Concessionaire's breach of any obligation under Paragraphs (1) or (2) of this Article shall be a default by Concessionaire under the Agreement and shall entitle the Port to exercise all of its contractual and legal remedies, including termination of this or any other Agreement with Concessionaire.

34. PRIOR AND COLLATERAL AGREEMENTS

This Agreement shall constitute the entire agreement between the parties and no other stipulation, agreement or understanding, written or oral, expressed or implied of the parties hereto or of their agents, shall limit or modify its terms. This Agreement shall, as of the commencement date hereof, cancel and supersede all prior agreements, written or oral, expressed or implied, between the parties for the rights granted herein. This Agreement shall not be subject to modification or change except by written instrument duly signed.

35. LEGAL CLAIMS AND ATTORNEYS' FEES

A. Each party hereby shall promptly report to the other any claim or suit against it arising out of or in connection with the operation of the Concessionaire's business at the Airport. The Port and Concessionaire shall each have the right to compromise and defend the same to the extent of its own interest; provided the defense of the same has not been tendered and accepted by the other party. Concessionaire is an independent contractor in every respect, and not an agent of the Port.

B. If any legal action is instituted by either of the parties hereto to enforce this Agreement, or any part thereof, the prevailing party shall be entitled to recover reasonable attorney's fees and court costs. Any such legal action shall be commenced and maintained in Franklin County, Washington, regardless of Concessionaire's place of business.

C. In the event the Port serves any notice for non-compliance with any provision of this Agreement on Concessionaire, Concessionaire shall pay the cost of preparation of the notice and service of the notice upon Concessionaire. Said sum shall be due immediately upon service of the notice.

36. NOTICES

All notices hereunder may be hand delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following addresses:

TO PORT:	TO CONCESSIONAIRE:
Tri-Cities Airport 3601 N. 20th Avenue Pasco, WA 99301	Republic Parking System, LLC 633 Chestnut Street, Suite 2000 Chattanooga, TN 37450.

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing to the other party. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

37. CAPTIONS

The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

38. INVALIDITY OF PARTICULAR PROVISIONS

If any terms or provisions of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and shall continue in full force and effect.

39. HAZARDOUS SUBSTANCES

A. Concessionaire shall not use or dispose, or permit the use of disposal, of any hazardous materials, toxic waste or substance in any manner which creates any civil or criminal liability to the Port, or creates a violation of federal or state environmental laws, including (but not limited to) Comprehensive Environmental Response Compensation and Liability Act as amended by the Super Fund Amendments and Reauthorization Act of 1986, Resource Conservation and Recovery Act as amended, Model Toxics Control Act and the Washington State Hazardous Waste Law.

B. Concessionaire shall comply with any and all environmental and land use laws, regulations, permits, licenses and other authorizations required for the lawful operation of the business under federal, state and local laws, and shall remain in compliance therewith during the pendency of this Agreement and any extensions or renewals thereof.

C. Port shall comply with any and all environmental and land use laws, regulations, permits, licenses and other authorization required for the Port's actions on the Premises under federal, state or local laws, and shall remain in compliance therewith during the pendency of this Agreement and any extensions or renewals thereof.

D. Each party shall indemnify and hold the other harmless from any and all liability and expense (including the costs and attorneys' fees associated with litigation) incurred by the other party as a result of the breach or alleged breach of the foregoing warranties.

40. COVENANTS OF DEED

The Concessionaire expressly understands that all provisions of this Agreement are subject to the provisions of the deed under which the Port holds title to the above described property and that the rights established herein are subject to the terms and conditions set forth in that deed of January 6, 1953, recorded in the Franklin County Auditor's Office, Volume 89, Page 517 of Deeds, wherein the City of Pasco obtained title to the Premises from the Administration of General Services pursuant to authority of the provisions of the Federal Property and Administrative Services Act of 1949 and the Surplus Property Act of 1944 (58 Stat. 765) as amended and regulations and orders promulgated thereunder and the Concessionaire further agrees to abide by the covenants of such deed and the restrictions set forth therein which are imposed pursuant to authority of Article 4, Section 3, Clause 2 of the Constitution of the United States of America, the Federal

Property and Administrative Services Act of 1949 (Public Law 152-81st Congress), the Surplus Property Act of 1944 as amended thereby, and the applicable rules, regulations and orders and that the use of the Premises by the Concessionaire shall be in accordance with such covenants and conditions of the same as though all of such covenants and conditions contained in such deed were set forth in full herein.

41. ENTIRE AGREEMENT - AMENDMENTS

This Agreement constitutes the whole agreement between the Port and Concessionaire. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing.

42. GOVERNING LAW: VENUE

This Agreement shall be interpreted, construed and governed accordingly to the laws of the State of Washington. The parties agree that Venue for any action under this Agreement shall be in Franklin County, Washington.

IN WITNESS WHEREOF, this Agreement has been signed and attested by the proper officers of the contracting parties this 13 day of December, 2018.

PORT OF PASCO - PORT

BY: _____
Randy Hayden, EXECUTIVE DIRECTOR

REPUBLIC PARKING SYSTEM, LLC - CONCESSIONAIRE

BY: _____

Printed Name: Ty Stafford
Title: CEO

DATE: November 28, 2018

PORT OF PASCO NOTARY

STATE OF WASHINGTON)
) ss. COUNTY
OF FRANKLIN)

On this 13th day of December, 2018, before me, the undersigned notary public in and for the State of Washington, duly commissioned and sworn, personally appeared RANDY HAYDEN, to me known to be EXECUTIVE DIRECTOR of the Port of Pasco that executed the within and foregoing instrument, and acknowledged that said instrument is the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument and that the seal affixed is the official seal of said entity.

Given under my hand and official seal the day and year last above written.

Mayra Reyna
NOTARY PUBLIC in and for the
State of Washington, residing
at Pasco WA My
commission expires: Jan 15 2022

NOTARY PUBLIC
State of Washington
MAYRA REYNA
MY COMMISSION EXPIRES
01/15/2022

CONCESSIONAIRE NOTARY

STATE OF Tennessee)
) ss. County of
Hamilton)

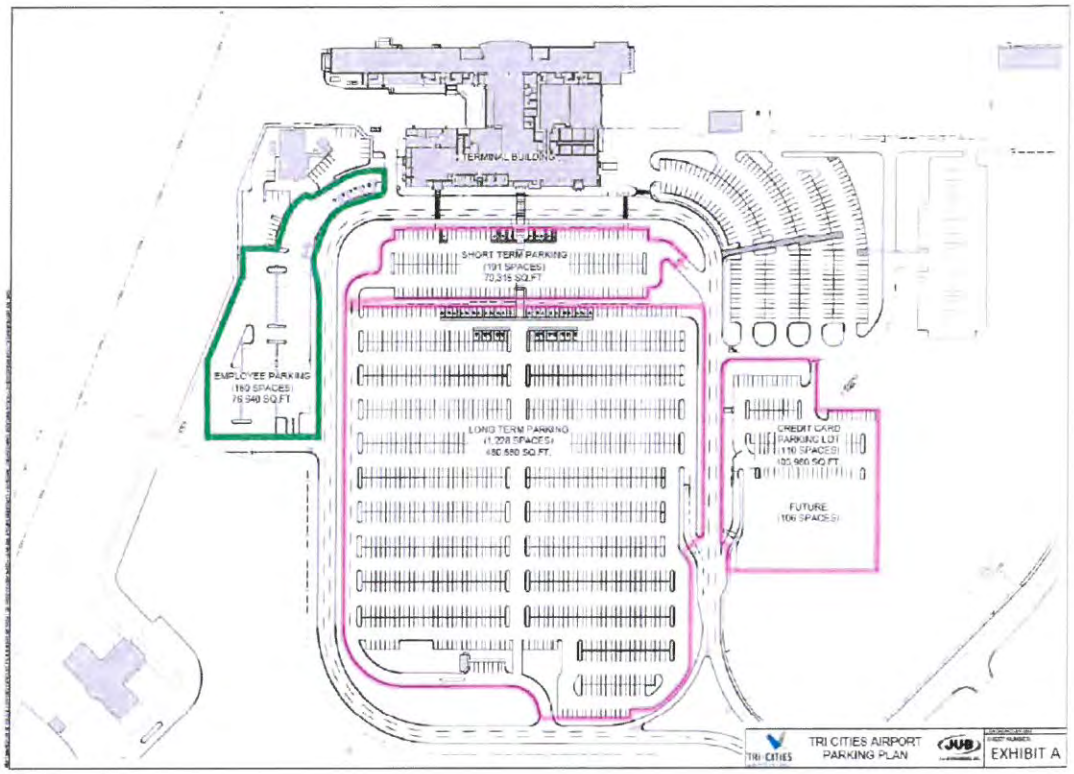
On this 28 day of November, 2018, before me, the undersigned, a Notary Public in and for the State of TN, duly commissioned and sworn, personally appeared Ty Stafford to me known to be the CEO, of REPUBLIC PARKING SYSTEM LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

Michelle L Mull

Michelle L Mull
NOTARY PUBLIC in and for the
State of Tennessee, residing
at Ringgold, GA My
commission expires: December 8, 2019

MICHELLE L. MULL
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY


TERMINAL BUILDING
SHORT TERM PARKING
(191 SPACES)
70,315 SQ.FT.
EMPLOYEE PARKING
(160 SPACES)
76,940 SQ.FT.
LONG TERM PARKING
(1,228 SPACES)
450,580 SQ.FT.
CREDIT CARD
PARKING LOT
(110 SPACES)
FUTURE
(106 SPACES)
TRI CITIES
TRI CITIES AIRPORT
PARKING PLAN
JUB
EXHIBIT A

PSC TERMINAL AUTOMOBILE PARKING EQUIPMENT INVENTORY AVAILABLE TO PARKING CONCESSIONAIRE

EQUIPMENT TYPE	MANUFACTURER	MODEL	SERIAL #	LOCATION
EXIT GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053967	LEFT EXIT OFFICE
EXIT COLUMN	DATAPARK	DP-5800/5900	00-160320	RIGHT EXIT BOOTH
EXIT GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053968	RIGHT EXIT GATE BOOTH
EXIT COLUMN	DATAPARK	DP-5800/5900	00-160321	LONG TERM EXIT
EXIT GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053974	LONG TERM EXIT GATE
ENTRANCE COLUMN	DATAPARK	DP-5800/5900	00-160315	LONG TERM LEFT ENTRANCE
ENTRANCE COLUMN	DATAPARK	DP-5800/5900	00-160318	LONG TERM RIGHT ENTRANCE
ENTRANCE GATE	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053966	LONG TERM LEFT ENTRANCE GATE
ENTRANCE GATE	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053971	LONG TERM RIGHT ENTRANCE GATE
ENTRANCE COLUMN	DATAPARK	DP-5800/5900	00-160317	SHORT TERM LEFT ENTRANCE
ENTRANCE COLUMN	DATAPARK	DP-5800/5900	00-160314	SHORT TERM RIGHT ENTRANCE
ENTRANCE GATE	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20054008	SHORT LEFT ENTRANCE GATE
ENTRANCE GATE	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053973	SHORT TERM RIGHT ENTRANCE GATE
POF	DATAPARK	DP7100R4	160201	POF-TERMINAL
BARRIER BETWEEN ST/LT	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053972	ST/LT LEFT
BARRIER BETWEEN ST/LT	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053975	ST/LT RIGHT
FC OFFICE	DATAPARK	DP6001R4	160303	OFFICE
OFFICE TICKET READER	DATAPARK	DP6200R4	160303	OFFICE
PC OFFICE	DELL/SERVER	POWEREDGE T330	9M1M382	OFFICE/MAIN PC
FC BOOTH	DATAPARK	DP6200R4	160304	BOOTH
BOOTH TICKET READER	DATAPARK	DP6001R4	160304	BOOTH
PC PARKTRAK INVENTORY	Dell	DHM	HQ4FJ3Y	OFFICE
ENTRANCE COLUMN	DATAPARK	DP-5800/5900	00-160316	CREDIT CARD LOT ENTRANCE
ENTRANCE GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053969	CREDIT CARD LOT ENTRANCE GATE
EXIT COLUMN	DATAPARK	DP-5800/5900	00-160319	CREDIT CARD LOT EXIT
EXIT GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20053970	CREDIT CARD LOT EXIT GATE
ENTRANCE GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20064115	EMPLOYEE LOT ENTRANCE GATE
HP LASER JET PRINTER	HP	HP LASER JET 3050	CNRK711427	OFFICE (PURCHASED BY REPUBLIC TO REPLACE OLD PRINTER) FOR PARKTRAK USE
EXIT GATE ARM	MAGNETIC/HUB	HUB PRO-M-RCB10H0	U20064114	EMPLOYEE LOT EXIT GATE
2 DATAPARK INVENTORY HAND HELDS	DATAPARK/SERVER	MC92NO	1603800500244 AND 1621000504113	OFFICE
KEYPAD/CARD READER	HUB	DP140-6R4	170501	EMPLOYEE LOT ENTRANCE
BROTHER PRINTER	BROTHER	H-LL2360DW	U63883K5N304026	OFFICE FOR DATAPARK SERVER USE (BOUGHT BY REPUBLIC)

EXHIBIT C

PORT OF PASCO - TRI-CITIES AIRPORT (PSC)
Request for Proposals - Terminal Automobile Parking Concession
Current Parking Rates

Short Term Lot

0 to 25 minutes	free
25 minutes to one hour	$2.00
Each Additional Hour	$2.00
Daily Maximum	$13.00

Long Term and Credit Card Lots

0 to ten minutes	free
10 minutes to one hour	$2.00
One to twenty four hours	$10.00
Each additional 24 hour period or portion there of	$10.00

Employee Parking Lot

No Charge, for registered employees only

ACDBE Report-EXHIBIT D

Tri-Cities Airport (Port of Pasco)

REPORTING PERIOD: _____ **To** _____

ACDBE Vendor Name	Services Provided	Certification	State of WA ACDBE Certified	Minority Type	Current Period Paid Amount	YTD Amount	Percentage of Revenue	Percentage of Purchases
ACDBE Vendor Name Address City, State Zip Phone Number Contact Name contact email	list services provided	type of certification	yes/no?	type of minority				

Total Goods and Services Purchases
Total Gross Revenue
Total ADBE Purchases
Total Concessionaire ACDBE Percentage
Total Number of Vendors
Total ACDBE Vendors

Pasco, Washington

TRI-CITIES AIRPORT

AMENDED

REQUEST FOR PROPOSALS
TERMINAL AUTOMOBILE PARKING CONCESSION

Proposal Due Date: October 26, 2018, by 3 pm local time

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IV. DOCUMENTS AND ITEMS TO BE SUBMITTED WITH PROPOSAL. 15

A. Checklist of Items to be Completed and Submitted with Proposal. 15
B. Proposal Letter. 16
C. Qualifications and Experience Questionnaire. 20

EXHIBITS

A. Parking Plan
B. Parking Equipment Inventory
C. Parking Rates
D. Historical Parking Revenues and Passenger Enplanements
E. Sample Terminal Automobile Parking Concession Agreement ("Sample Concession Agreement")

This Amended Request for Proposals shows adjustments in the minimum required concession percentages listed in the initial RFP, dated August 27, 2018. See page 18 for the amended minimum percentage requirements.

B. AIRPORT BACKGROUND INFORMATION

Tri-Cities Airport is classified by the FAA as a non-hub commercial service airport with approximately 374,843 passenger enplanements in calendar year 2017. Current scheduled airline service is provided by United Air Lines to Denver and San Francisco, Delta Air Lines to Salt Lake City, Seattle and Minneapolis, Alaska Airlines to Seattle and Portland and Allegiant Airlines to Phoenix and Las Vegas with seasonal service to Los Angeles. Current flight schedules for each airline operating at the Airport are available at their individual websites.

In February 2009, the Port executed a terminal automobile parking concession agreement with Republic Parking System, Inc. for a term of five years. At the end of that agreement, in February 2014, Republic Parking was, again, awarded the terminal automobile parking concession through January 31, 2019. Prior to these agreements, parking facilities were operated by AMPCO System Parking, Inc. The new agreement is expected to commence on February 1, 2019 with a term of five years. Historical parking revenues, concession fees and passenger enplanements for the past five years are provided in Exhibit D. Gross Parking Receipts provided in Exhibit D exclude credit card discount fees and sales tax.

C. TRI-CITIES AIRPORT PARKING PLAN (automobile parking facilities - See Exhibit A)

Public automobile parking facilities at the Airport are located with convenient access southwest of the terminal building. Facilities include a short term lot consisting of 191 spaces, a long term lot consisting of 1,228 spaces located further southwest of the short term lot and a credit card parking lot consisting of 110 spaces (with a total of 1,529 spaces). Additional information regarding the Airport's parking operation is available at the Airport's website flytricities.com. Parking facilities designated in the Sample Concession Agreement include all parking equipment owned by the Port and available for the Concessionaire's use for the parking operation. A complete list of this equipment is provided in Exhibit B of the RFP and the Sample Concession Agreement. The non paid, non revenue employee parking lot located adjacent to the terminal building, as outlined in green on Exhibit A, will also be managed by the Concessionaire.

Airport public parking lots are required to operate for 24 hours a day, 7 days a week, 365 days a year. Current parking rates are provided in Exhibit C of the RFP and the Sample Concession Agreement.

later than Friday, October 19, 2018.

The Port reserves the right to extend the proposal submittal date if needed. It is the responsibility of each proposer to properly register as a proposer of record for purposes of receiving RFP documentation, question/comment/clarification responses from the Port, Addenda and any other pertinent information. All changes and/or clarifications will be distributed to all proposers of record in the form of Addenda and posted on the website. A list of pre-proposal conference attendees and others who have been issued Request for Proposal documents will be made available upon request.

To register as a proposer of record, please email the following information to Tara White, Airport Business Manager, at taraw@portofpasco.org:

Company Name
Contact Person
Email Address
Mailing Address
Telephone Number

H. MINIMUM SERVICES AND OPERATING REQUIREMENTS

1. Service shall be prompt, courteous and efficient. Operator shall employ at all times, a locally resident manager and sufficient number of personnel necessary to assure prompt service. The manager's primary tasks shall be managerial, customer service and administrative. Occassionally, the manager covering as a cashier would be acceptable on an as-needed basis to cover breaks and vacations. The Port would not expect the manager to be regularly-scheduled to work as a cashier.

2. Concession operations shall be provided and staffed on a 24 hours a day, 7 days a week, 365 days a year basis.

3. All equipment (including any software) used in the parking operation shall be maintained and updated (as needed) in such a manner to ensure an efficient and continuous operation with only minimal interruptions due only to circumstances outside the Concessionaire's control.

4. A full-time, experienced manager shall be designated and fully authorized to represent and act on behalf of the proposing entity in all matters pertaining to its business operation.

5. Responsible and professional conduct, demeanor and appearance (properly uniformed/identified) of the Concessionaire's officers, agents, employees, suppliers and representatives shall be observed at all times.

6. The concession premises shall be kept in a clean, neat, businesslike and orderly condition at all times and the Concessionaire shall provide for timely disposal of trash and debris. Concessionaire is permitted to dispose of trash in a Port provided unit.

7. Operator shall submit to the Port for approval, on or before commencement date of any agreement, detailed written operating, security and revenue control procedures. The Port shall have a minimum of fourteen (14) days to review such procedures before implementation. The Concessionaire is not required to provide security personnel.

8. Operations shall fully comply with all Department of Homeland Security (DHS), Transportation Security Administration (TSA) and Federal Aviation Administration (FAA) regulations, including security requirements and Airport Rules and Regulations. Specifics regarding

I. UTILITIES AND MAINTENANCE

The Port will provide at its expense and pay for all electric power, water, sewer and garbage disposal charges that the Concessionaire will use in its operations, including but not limited to electricity for lighting. The Port will keep at its expense all utility equipment and improvements in good operating condition and repair including electric lighting, lighting fixtures, lamps, wiring and connections for electrical power. The Concessionaire will provide at its sole expense and pay for all other utility charges it incurs in its operations, including telephone, internet, data transmission and security.

The Port will maintain all parking lot pavements, curbs, gutters and other infrastructure at its expense. The Concessionaire will maintain at its expense all equipment owned by the Port and any other equipment, improvements and signage it owns. The Concessionaire will determine if updates to the Port's revenue control software are needed for operating efficiency and will install such updates at its expense. Ownership of any updates will vest with the Port. The Concessionaire will ensure that all rubbish, trash and other waste material is out of sight and properly disposed. The Port will provide snow removal services on roads and parking lots while the Concessionaire will provide and apply ice melt at gate entrances, ticket dispensers and other appropriate areas when weather conditions warrant.

Further details of the Port's and the Concessionaire's utility and maintenance responsibilities are provided in the Sample Concession Agreement.

J. ADDITIONAL PARKING FACILITY EQUIPMENT/IMPROVEMENTS

The successful proposer will be required to acquire and install (at its sole expense) any additional equipment not provided by the Port or any other improvements (including signage) that the Concessionaire deems necessary for the efficient operation of a first-class concession. All plans and specifications, materials and color selections are subject to review and approval by the Port.

The current parking access and revenue control system was installed in May 2016. The PC Parktrack Inventory is the equipment utilized for License Plate Inventory (LPI). Each component of the current on-site parking access and revenue control equipment is PCI compliant. There are no Port provided service vehicles.

N. CONFIDENTIALITY OF RECORDS

Proposers must identify each portion of their proposals which they deem confidential, or which contain proprietary information, patents, copyrights or trade secrets. Proposers must provide justification of what materials, upon request, should not be disclosed by the Port. Tri-Cities Airport is owned and operated by the Port of Pasco, a municipal corporation organized under the laws of the State of Washington, and as such, its records are subject to disclosure to the public under the Washington Public Records Act [RCW 42.56]. Notwithstanding any provision herein to contrary, the Port may disclose or produce any proprietary information, patents, copyrights or trade secrets it is required to disclose or produce by formal discovery request, subpoena, court order, governmental action or pursuant to the Washington Public Records Act. The Port may use or disclose the data submitted by each proposer for any purpose, unless its use is so identified and restricted by a proposer. The proposers' opinions of proprietary information are not binding on the Port. If the Port receives a public records request for information, patents, copyrights, or trade secrets ("Information") that the Port in its sole determination and discretion determines is not exempt from disclosure under the Washington Public Records Act ("PRA"), the Port shall promptly notify the Proposer of the request under the PRA, and give the Proposer the opportunity to obtain an order enjoining such disclosure at Proposer's expense. Port will endeavor to give 10 days notice of such request to Proposer. Such notice shall be the sole obligation of Port in regard to such records request.

Proposers must respond to all of the requirements of the applicable specifications herein. If a proposer fails to do so, their proposal may be deemed non-responsive and may be rejected by the Port on that basis. After proposal submittal, proposers may not withdraw their proposals until a final Concession Agreement has been fully executed by the successful proposer.

B. PROPOSAL SURETY

Each proposer shall submit to the Port with its Proposal, a Proposal Surety, in the form of a certified check, cashier's check or other acceptable collected funds payable to the Tri-Cities Airport in the amount of Five Thousand Dollars ($5,000).

Proposal sureties are required as a guarantee that the successful proposer will execute a formal agreement with the Port. Proposal sureties of all unsuccessful proposers shall be returned as soon as the successful proposer has been determined and the Concession Agreement is executed, or, in the event that all proposals are rejected, within ten (10) days after the date of rejection.

The Proposal Surety of the successful proposer will be held to guarantee execution of the Concession Agreement and the furnishing of required insurance and a Performance Bond. The Proposal Surety may be retained by the Port as liquidated damages in the event that such proposer fails to execute an agreement or to furnish said insurance and Performance Bond. The Proposal Surety will be returned to the successful proposer after execution of an agreement and delivery of said insurance and Performance Bond.

III. PROPOSAL EVALUATION

A. EVALUATION CRITERIA

An evaluation committee will review the merits of proposals in accordance with the evaluation criteria listed below. Failure to provide information requested in this RFP may result in disqualification of a proposal. The sole objective of the selection committee will be to evaluate the responsiveness of each proposer to requirements of the RFP and the committee's determination as to which proposal is in the best interest of the Port. Proposals will be evaluated based on:

1. The sum total of the Minimum Monthly Guarantees and Concession Fee Percentages proposed for the five-year term of the Concession Agreement (30 points)
2. Previous background and experience of proposers with respect to the Minimum Qualifications (20 points)
3. Quality of the proposer's operating performance and their compliance with operating requirements and conduct at other airports with similar parking concession activities (10 points)
4. Adequacy of the proposer's parking revenue control procedures to be provided by the proposer in the Qualifications and Experience Questionnaire (10 points)
5. Previous background or history of default or arrearage in previous or existing agreements with the Port (5 points)
6. Previous background or history of default, arrearage or inadequate performance in previous or existing agreements with other airports.(5 points)
7. Previous background and history of employment practices such as wages, salary and benefits offered to company employees. We would like to see the specific wage and benefit package for each level of employee. (20 points)

B. PROPOSER RESPONSIBILITY

Proposers are required to confirm, by electronic mail on a timely basis, their receipt of all documents and communications regarding this RFP sent to proposers by the Port.

Should a prospective proposer find a discrepancy, or discrepancies in, or omissions from the Instructions to Proposers, the Sample Concession

proposal irregularity at its sole discretion.

B. PROPOSAL LETTER - The following Proposal Letter, without text revisions and with a completed Attachment A, MUST be included in your proposal:

Buck Taft
Airport Director
Tri-Cities Airport
3601 North 20th Avenue
Pasco, WA 99301

Dear Mr. Taft:

The undersigned, having examined the Instructions to Proposers, the Sample Terminal Automobile Parking Concession Agreement, and any and all related documents for the proposed terminal public automobile parking operation concession at Tri-Cities Airport (Pasco, Washington) and having become sufficiently familiar with the proposed public parking facilities and equipment therefor and conditions of operation thereof, hereby proposes to pay monthly to the Tri-Cities Airport during the five-year term of the Terminal Automobile Parking Concession Agreement, the greater of the Minimum Monthly Guarantee (MMG) or the Percentage Concession Fees of its monthly "Gross Receipts" (as defined in the Sample Concession Agreement) for each year of the five-year term as indicated in Attachment A to this Proposal Letter.

We understand that the Port's minimum requirements for proposed Concession Fee Percentages and MMG amounts for each year of the agreement term are as follows:

	Percentage of Gross Receipts to PSC	Minimum Monthly Guarantee
Gross Receipts:		$70,000
$0 - $750,000	55%	
$750,001 - $900,000	100%	
$900,001 - $1,000,000	95%	
$1,000,001 - $1,500,000	93%	
$1,500,001 and over	94%	

The undersigned agrees to execute the Terminal Automobile Parking Concession Agreement included in RFP documents, as amended in the final RFP Addenda. Attached hereto is a certified cashier's check (or other acceptable collected funds) in the amount of Five Thousand Dollars ($5,000) payable without condition to the Tri-Cities Airport, which may be retained by the Port as liquidated damages, and not as a penalty, in the event of failure of the undersigned to execute the Terminal Automobile

Dated at _____
this _____ day of _____, 2018.

Physical address, electronic mail address and telephone number of proposer:

_____
_____
_____
_____

Signature of proposer authorized to execute and commit the proposing entity to the Concession Agreement:

If an individual: _____
Doing business as: _____

If a partnership: _____
Doing business as: _____
By (General Partner): _____

If a corporation: _____
By: _____
Title: _____
(notarized seal is required to be affixed to this Proposal Letter)

If a limited liability company: _____
By: _____
Title: _____

C. QUALIFICATIONS AND EXPERIENCE QUESTIONNAIRE

This questionnaire includes three sections (1 - General Proposer Information, 2 - Detailed Qualifications and Experience and 3 - Financial Information) to be completed by each proposer as follows:

1. GENERAL PROPOSER INFORMATION

The proposer hereby certifies that all statements and all answers to questions herein are true and correct. All information requested in this questionnaire MUST be furnished by the proposers and must be submitted with the Proposal Letter. Statements must be complete, accurate and in the form requested.

a. Name and address of proposer exactly as it should appear on the Terminal Automobile Parking Concession Agreement:

_____
_____
_____

b. Physical address, electronic mail address and telephone number of proposer, if different from above, for purposes of notice or other communication relating to the proposal and Terminal Automobile Parking Concession Agreement. (If proposer is other than an individual, provide the name of an individual who can answer for proposer):

_____
_____
_____

LIMITED LIABILITY COMPANY STATEMENT - If a limited liability company (LLC) or an LLC-in-formation, answer the following:

i. When formed? _____ ii. Where formed? _____ iii. Is the LLC authorized to do business in Washington?
Yes (___) No (___) If so, as of what date? _____

iv. Furnish the following information about the principal officers and any members with 5% or more ownership of the company.

NAME	TITLE	ADDRESS

v. Name and address of agent for process in the State of Washington:

_____
_____
_____
_____

PARTNERSHIP STATEMENT - If a partnership, answer the following:

i. Date of organization _____
ii. General Partnership (___) Limited Partnership (___)
iii. Has the partnership done business in Washington? Yes (___) No (___)
iv. Name and address of each general partner:

NAME	ADDRESS

2. DETAILED QUALIFICATIONS AND EXPERIENCE

For each question below that requires additional space to answer, please provide an attachment, indicate the question number (e.g., "Detailed Qualifications and Experience, question 2a") and restate the corresponding question.

a. Name of proposer: _____
Address: _____
_____
_____
Electronic Mail Address: _____
Telephone: _____

b. Provide/Attach documentation of the parking revenue control procedures that you would implement at Tri-Cities Airport using the revenue control system and equipment that the Port is providing for the public parking concession operation (see the Exhibit B Parking Lot Inventory List in the Sample Concession Agreement for details regarding the equipment to be provided).

c. Number of years proposer has performed airport public parking concession services. If terminal automobile parking service is to be performed by a joint venture or partner, indicate the experience of each party.

Airport public parking experience _____ years.
Indicate beginning and ending years for each party _____.

d. Describe the nature of your experience in the operation of parking facilities and state the number of persons you currently employ in such operations.

e. Submit a list of five (5) locations similar to Tri-Cities Airport where you have operated terminal automobile parking facilities within the last five consecutive years, giving the dates of operation for each location and the gross revenues for each operation for the last five years.

b. Surety Information. Have you ever had a performance bond or surety canceled or forfeited?

Yes (___) No (___) If yes, state name of bonding company, date, amount of bond, and reason for such cancellation for forfeiture. Provide information, including name of bonding company or reference, that indicates your ability to qualify for, obtain and submit the Performance Bond that must be submitted to the Port if you are awarded this concession privilege.

c. Bankruptcy Information. Has the proposing entity or principal owners ever declared bankruptcy?

Yes (___) No (___) If yes, give details including date, court jurisdiction, amount of liabilities and amount of assets.

d. Confidentiality of Records. Proposer should give specific attention to the identification of any portions of their Proposal which they deem confidential, or which contains proprietary information or trade secrets, copyrights, patents or patents pending. Notwithstanding any provision herein to the contrary, the Port may disclose or produce any portions of their Proposal that the Port is required to disclose or produce by formal discovery request, subpoena, court order, governmental action or pursuant to the Washington Public Records Act. The Port may use or disclose the data submitted by each Proposer. The Proposer's opinion of proprietary information is not binding on the Port.

The undersigned hereby attests to the truth and accuracy of all statements, answers and representations made in this questionnaire, including all supplementary statements attached hereto (name and title of person authorized to issue this Proposal, provide proposer's information and execute the Concession Agreement).

By: _____
Title: _____

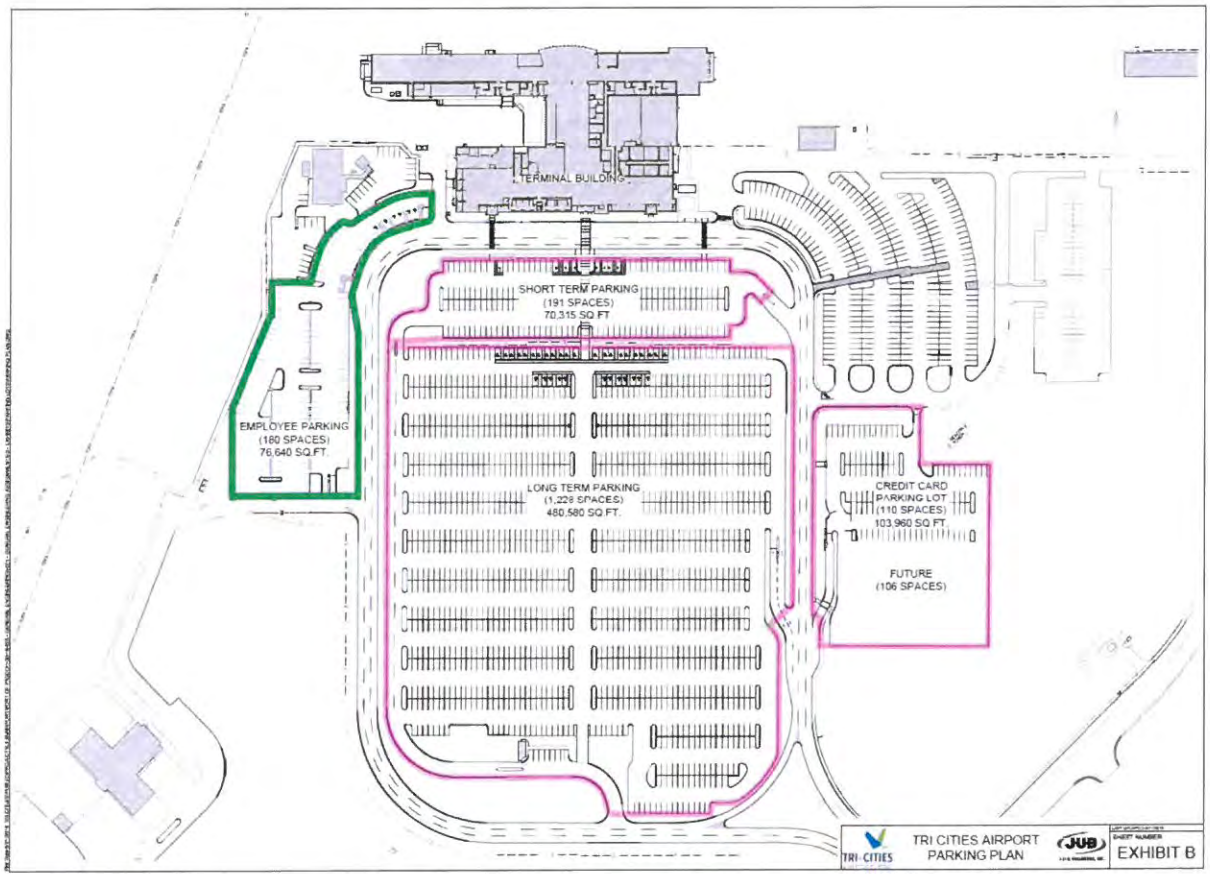
TERMINAL BUILDING
SHORT TERM PARKING
(191 SPACES)
70,315 SQ.FT.
EMPLOYEE PARKING
(180 SPACES)
76,640 SQ.FT.
LONG TERM PARKING
(1,228 SPACES)
480,580 SQ.FT.
CREDIT CARD
PARKING LOT
(110 SPACES)
103,960 SQ.FT.
FUTURE
(106 SPACES)
TRI-CITIES
TRI CITIES AIRPORT
PARKING PLAN
JUB
SHEET NUMBER
EXHIBIT B

EXHIBIT C

PORT OF PASCO - TRI-CITIES AIRPORT (PSC)
Request for Proposals - Terminal Automobile Parking Concession
Current Parking Rates

Short Term Lot

0 to 25 minutes	free
25 minutes to one hour	$2.00
Each Additional Hour	$2.00
Daily Maximum	$13.00

Long Term and Credit Card Lots

0 to ten minutes	free
10 minutes to one hour	$2.00
One to twenty four hours	$10.00
Each additional 24 hour period or portion there of	$10.00

Employee Parking Lot

No Charge, for registered employees only

EXHIBIT G (CONTINUED)
PORT OF PASCO - TRI-CITIES AIRPORT (PSC)
Request for Proposals - Terminal Automobile Parking Concession
Historical Monthly Parking Revenues and Passenger Enplanements (Thru May 2018 YTD)

	2017 Feb	2017 Mar	2017 Apr	2017 May	2017 Jun	2017 Jul	2017 Aug	2017 Sep	2017 Oct	2017 Nov	2017 Dec	2018 Jan	Total	2017 YTD
Gross Parking Revenues	$272,711	$319,892	$288,596	$304,077	$279,905	$282,555	$260,329	$264,147	$296,594	$292,876	$271,632	$258,016	**$3,391,330**	$3,405,460
Less Sales Taxes	($21,595)	($25,332)	($22,853)	($24,079)	($22,165)	($22,375)	($20,615)	($20,917)	($23,487)	($22,839)	($21,510)	($20,432)	**($268,199)**	
Less Credit Card Transaction Fees	($5,007)	($5,103)	($5,239)	($6,278)	($5,671)	($6,083)	($5,404)	($5,206)	($5,296)	($4,798)	($5,678)	($5,294)	**($65,057)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$246,109	$289,457	$260,504	$273,720	$252,069	$254,097	$234,310	$238,024	$267,811	$265,239	$244,444	$232,290	**$3,058,074**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	**$78,600**	$78,600
Concession Fees	$173,110	$204,754	$196,057	$257,285	$227,874	$230,520	$213,701	$217,193	$245,192	$242,775	$223,227	$211,803	**$2,643,489**	$2,655,817
Total Airport Revenues	$179,660	$211,304	$202,607	$263,835	$234,424	$237,070	$220,251	$223,743	$251,742	$249,325	$229,777	$218,353	**$2,722,089**	$2,734,417
Passenger Enplanements	25,220	31,719	28,491	31,613	35,638	36,025	32,262	30,503	31,434	31,045	33,109	27,803	**374,862**	

	2018 Feb	2018 Mar	2018 Apr	2018 May	2018 Jun	2018 Jul	2018 Aug	2018 Sep	2018 Oct	2018 Nov	2018 Dec	2019 Jan	Total	2018 YTD
Gross Parking Revenues	$250,432	$308,541	$286,279	$298,954	$287,620	$278,250	$290,305	$0	$0	$0	$0	$0	**$2,000,381**	$2,258,397
Less Sales Taxes	($19,832)	($24,433)	($22,670)	($23,674)	($22,777)	($22,035)	($22,989)	$0	$0	$0	$0	$0	**($158,409)**	
Less Credit Card Transaction Fees	($5,218)	($5,214)	($6,504)	($6,280)	($5,963)	($5,988)	($5,504)	$0	$0	$0	$0	$0	**($40,672)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$225,382	$278,893	$257,105	$269,000	$258,880	$250,227	$261,812	$0	$0	$0	$0	$0	**$1,801,299**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$0	$0	$0	$0	**$52,400**	$58,950
Concession Fees	$157,979	$197,042	$184,209	$255,322	$234,209	$226,556	$239,553	($6,550)	$0	$0	$0	$0	**$1,488,320**	$1,700,123
Total Airport Revenues	$164,529	$203,592	$190,759	$261,872	$240,759	$233,106	$246,103	$0	$0	$0	$0	$0	**$1,540,720**	$1,759,073
Passenger Enplanements	24,732	30,971	30,091	31,934	35,638	36,025	32,262	0	0	0	0	0	**221,653**	

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THIS AGREEMENT is made and entered into this ____ day of _____ 2018, by and between the PORT OF PASCO, a municipal corporation organized under the laws of the State of Washington, hereinafter called the "Port", and _____., a corporation organized under the laws of the State of _____ hereinafter called "Concessionaire".

1. BASIS OF AGREEMENT

The Port is the owner of the Tri-Cities Airport in Pasco, Franklin County, Washington, and is the owner and operator of parking lots at the Tri-Cities Airport, ("Airport"). The Port charges fees for public automobile parking at the Airport parking lots. The Port does not charge fees to airport and tenant employees in the employee parking lot. Concessionaire represents that it is experienced in the business of operating parking facilities for cars, trucks and other motor vehicles, and possesses the necessary expertise to operate airport parking facilities. The Concessionaire is willing to undertake the operation of such parking facilities under a concession arrangement, and the parties heretofore enter into this Agreement.

This Agreement consists of the following documents, which are incorporated herein by this reference. In the event of a conflict in requirements, proposals or provisions between or among any of these documents, the Agreement shall take precedence over all other documents:

(1) This Terminal Automobile Parking Concession Agreement as executed by the parties;
(2) The Request for Proposals, Terminal Automobile Parking Concession;
(3) Any addendum issued to the Request for Proposals;
(4) The Proposal Letter.

2. PREMISES

The Premises which the Port will permit the Concessionaire to occupy as part of this Agreement consists of the short-term, long term, credit card and non-paid employee parking lots, as depicted on the attached Exhibit A (the "Premises"), together with improvements and equipment associated with the parking lot operation, as described in the attached Exhibit B, that are situated in the parking lot and terminal building facilities at the Airport. Such Premises includes all areas available to members of the general public for paid parking of vehicles, whether improved or unimproved and the employee parking lot, but excluding parking for, Port staff and officials, taxis, Transportation Network Companies, limousines, police vehicles, persons maintaining, supplying or servicing the Tri-Cities Airport Terminal Building ("Terminal Building") or the equipment of the Port or its tenants; airlines and contractors of the Port and its tenants, and shall further exclude rental motor vehicles of car rental operators when not in rental use. The employee lot is non-paid parking for employees of airport tenants, but will be managed by the Concessionaire.

Total sum paid by any customer to Concessionaire
Less credit card fees
Less sales and use tax
Equals Gross Receipts

C. Concessionaire shall be entitled to collect and receive any and all parking revenues from the Premises, including, without limitation, towing service fees and any other charges imposed by the Concessionaire on parking customers related to operation of the parking facilities, all of which are part of Gross Receipts which are required under this Agreement to be collected and held in trust by the Concessionaire for the benefit of the Port. The parking rates imposed by Concessionaire shall be the same as those rates charged by the Port immediately before execution of this Agreement as specified in Exhibit C - Current Parking Rates. The Port shall retain the right from time to time to modify parking rates to such rates as the Port determines in its sole discretion provided that parking rates shall not be established below the rates at the time of executing this Agreement.

D. Concessionaire agrees to remit and pay to the Port the greater of the Minimum Monthly Guarantee and the Percentage Concession Fees set forth below, computed for each month as annual Gross Receipts accumulated during each year of the five-year term of this Agreement as shown on the following page:

SAMPLE

E. The Minimum Monthly Guarantee shall be paid by the first calendar business day of the month, and each month thereafter throughout the term of this Agreement. Within fifteen (15) days after the close of each month during the term hereof, Concessionaire shall submit to the Port a statement in writing in a form and with details satisfactory to the Tri-Cities Airport, showing the amount of Gross Receipts of all business conducted pursuant to this Agreement during the preceding month. If Percentage Concession Fees are calculated to be higher than the Minimum Monthly Guarantee (MMG), the difference between the Percentage Concession Fee and the MMG shall be paid to the Port concurrent with submission of the statement of Gross Receipts noted above. The MMG is a monthly obligation under this Agreement and Percentage Concession Fees will not be annualized at the end of each year to result in a credit or refund for any individual month.

Within ninety (90) days after the close of each Agreement year, Concessionaire shall submit to the Port a Gross Receipts statement certified to be true and correct by a certified public accountant licensed to practice in the State of Washington showing the amount of said Gross Receipts of all business conducted pursuant to this Agreement during the preceding Agreement year.

F. Concessionaire agrees to make all of its books and records pertaining to this operation available to the Airport Director and/or Certified Public Accountant designated by the Port. Said books and records shall be made available on request at any reasonable time.

G. All concession fee payments shall be made to the Port as the same become due in lawful money of the United States of America, at such place as hereafter may be designated by Port by written notice directed to Concessionaire from time to time.

H. In the event certain concession operators at the Airport want a validation program for their customers, the Concessionaire can establish a written validation program with terms and conditions acceptable to it and approved in writing by the Port.

6. PERFORMANCE BOND

Concessionaire shall, upon the execution of this Agreement, file and shall thereafter always maintain with the Port a good and sufficient corporate performance bond or bonds or such other security as to the Port may be acceptable in an amount equal to three (3) times the Minimum Monthly Guarantee as set forth in Section 4E of this Agreement during each year of this Agreement. The form and terms of such bond or bonds or other security shall be subject to the approval of the Port.

7. USE OF PREMISES

A. Concessionaire shall use the public parking facility as a parking and storage facility for motor vehicles. Concessionaire shall not conduct a public parking facility at any other place on Airport property except as the Port or the Airport Director specifically designates.

The Port and its authorized representatives, including but not limited to vehicles from Airport, public works, police and fire, shall have at all times the full and unrestricted right to enter the Premises for the purposes of inspecting the same and of doing any and all things which may be necessary for the proper, secure and safe operation of the Airport.

9. UTILITIES

The Port shall provide at its expense and pay for all electric power, water, sewer and garbage disposal charges that Concessionaire uses in its operations, including but not limited to electricity for lighting. The Port shall keep at its expense all utility equipment and improvements in good operating condition and repair including electric lighting, lighting fixtures, lamps, wiring and connections for electrical power.

Concessionaire shall provide at its sole expense and pay for all other utility charges it incurs in its operations, including (but not limited to) telephone, internet, data transmission and security.

10. MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS

A. Concessionaire shall keep all equipment and improvements owned by the Port (including the equipment depicted in Exhibit B) or it owns and/or which are utilized for its use in the parking operation in good repair and operating condition, including repainting the booth and gates when needed, and repainting the parking stripes within the Premises during the five-year term of this Agreement. The Concessionaire will determine if updates to the Port's revenue control software are needed for operating efficiency and will install such updates at its own expense. Ownership of any updates will vest with the Port.

B. Concessionaire shall maintain all signage in good repair and operating condition.

C. Concessionaire shall not permit rubbish, debris, trash, waste material or anything detrimental to health, unsightly or dangerous conditions on the Premises to accumulate and shall promptly dispose of any such materials.

D. So as to ensure continued availability and suitability of areas for public parking, the Port shall plow snow within the Premises when the depth exceeds four (4) inches or on an "as needed" basis to be agreed upon by the parties. Concessionaire shall apply ice melt to road surfaces at and near gate entrances, ticketing dispensers and gate arms when winter weather conditions warrant at its expense.

E. Concessionaire shall repair any damage to the Premises to the extent caused by its employees, agents or contractors.

11. INSPECTIONS AND ACCESS

The Port reserves the right to inspect the Premises including any chattels or equipment of the

provide, at its expense, on or before the commencement of this Agreement, and to keep in force during the term of this Agreement, and any renewal thereof, the following insurance coverages naming Port and Concessionaire as insured parties a comprehensive general liability insurance policy ("Liability Policy"), including, without limitation, blanket contractual liability coverage, broad form property damage, independent contractor's coverage and personal injury coverage of not less than $2,000,000 combined single limit per occurrence for bodily or personal injury (including death) and property damage, protecting Port, its officers, employees or agents, and Concessionaire against any liability whatsoever occasioned by any occurrence related to or arising out of the Agreement.

B. Port agrees to defend and to hold and save the Concessionaire harmless from liability or expense (including attorney fees and other expenses of litigation) for any injury or damage caused solely by the gross negligence of the Port or its employees.

C. Concessionaire shall be utilizing a vehicle as part of the equipment associated with operations of the parking lot. Concessionaire shall maintain liability and property damage insurance on said vehicle with limits of not less than $1,000,000 for the liability coverage and in the amount not less than the full replacement cost insurance value on the property damage. Such insurance shall have a loss payable clause for the property damages to the Port.

D. The Port shall be named as an additional insured and shall be furnished with a certificate of insurance by Concessionaire's insurer evidencing the coverage under such policy or policies of insurance, and that such policy or policies will not be cancelled or changed without 30 days prior written notice to the Port.

15. WAIVER OR SUBROGATION

Port and Concessionaire hereby mutually release each other from liability and waive all rights of recovery against each other for any loss from perils insured against under their respective fire insurance and property damage insurance coverages, including any extended coverage endorsements thereto. Provided that this Paragraph 14 shall be deemed inapplicable if it would have effect only to the extent of invalidating any insurance coverage of Port or Concessionaire.

16. INCREASE IN COST OF INSURANCE

Concessionaire shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the terms of this Agreement, may be added to the amount of concession fee hereinabove specified and shall be paid by Concessionaire to the Port upon the monthly payment next thereafter occurring.

In addition, Concessionaire's employees shall provide tire inflators, battery jump start services, flashlights or other potentially helpful tools for the use and benefit of Concessionaire's customers upon and within the Premises.

C. To furnish at its own expense all forms, access cards, tickets, decals, envelopes, uniforms and tools within the Premises, and the office equipment, furniture, materials and supplies needed for the efficient operation of its business. The Port shall provide the existing revenue control system consisting of all gates, ticket dispensers, fee computers, inventory control devices and computers as described in Exhibit B. Concessionaire shall use the Port's revenue control system as described in Exhibit B throughout the term of this Agreement.

D. That in conducting its business on the Airport, it shall observe and obey all applicable laws, ordinances and Airport Rules and Regulations now in force or hereinafter adopted governing its conduct and that of its employees.

E. That it shall pay all operating expenses in connection with the use of the Premises and the rights and privileges hereby granted, including, without limitation, taxes, permit fees and license fees, and that it shall secure all required permits and licenses.

F. That the Port shall be the reasonable judge of the quality and adequacy of service Concessionaire provides as herein specified. In the event the Port shall determine that Concessionaire has failed to comply with the requirements for quality and adequacy of service, it shall give the Concessionaire written notice of such determination as specified hereafter.

21. RELOCATION

It is agreed that the Port may require Concessionaire to relocate facilities or substitute other Premises for those currently available in the event the Port determines that such relocation is necessary for the orderly expansion and development of Airport facilities. In the event of such relocation, the Port will designate a comparable a location with the Port bearing such relocation costs.

22. DEFAULT

A. PAYMENT - A default shall occur if Concessionaire fails to make payment within thirty (30) days of due date.

1) In the event Concessionaire defaults on any payment due under the terms of this Agreement, the Port shall give it a Notice of Default. In the event the Port gives a Notice of Default, Concessionaire shall have three (3) business days from receiving such notice within which to bring all payments current to the due date of payment. If Concessionaire does not bring payments current, the Port may terminate this Agreement at its option. If the Port gives notice of termination because of default in payment, and payment is not

terminate this Agreement at its option without regard to curative time periods. If Concessionaire, after one (1) day's prior written notice to cure, should abandon and discontinue operating the public parking facility at the Airport for any period of time, this Agreement shall be immediately terminated at the Port's sole option. The rights and remedies herein granted to the Port shall be in addition to any other rights and remedies to which the Port is entitled and not in lieu thereof.

23. CANCELLATION BY CONCESSIONAIRE

Concessionaire may cancel this Agreement:

A. In the event the Airport is permanently abandoned as an Airport terminal serving scheduled airlines;

B. The United States government or any authorized agency thereof lawfully assumes the Airport operation and control in such manner as to substantially restrict Concessionaire from operating for a period of at least ninety (90) days;

C. In the event a court issues an injunction which prevents or restrains the use of the Airport for a period of at least ninety (90) days; or.

D. In the event the Port is in default under this Agreement for a period of thirty (30) days after written demand from Concessionaire to remedy the same. In the event of cancellation under this Paragraph 22.D, Port shall reimburse Concessionaire on a straight-line basis for the cost of equipment and improvements installed on the Premises by Concessionaire at its own expense.

24. TERMINATION FOR GOVERNMENT USE

In the event that the United States Government or any agency or instrumentality thereof shall by condemnation or otherwise, take title, possession or the right to possession of the Premises or any part thereof, either party may, at its option, terminate this Agreement as of the date of such taking.

25. TERMINATION BECAUSE OF COURT DECREE

In the event that any court having competent jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Agreement, then either party hereto may terminate this Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate.

31. NON-DISCRIMINATION, FEDERAL LABOR STANDARDS ACT, SAFETY REQUIREMENTS

The Concessionaire and its transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the Concessionaire or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program. In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods: (a) The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended , or for another purpose involving the provision of similar services or benefits; or (b) The period during which the airport sponsor or any transferee retains ownership or possession of the property.

A. The Concessionaire for himself/herself, his/her heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) In the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for the purpose for which a Federal Aviation Administration activity, facility or program is extended or for another purpose involving the provision of similar services or benefits, the Concessionaire will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to this Agreement, in the event of breach of any of the above Nondiscrimination covenants, the Port of Pasco, Tri-Cities Airport, will have the right to terminate the Agreement and to enter, re-enter and repossess said lands and facilities thereon, and hold the same as if the Agreement had never been made or issued.

Fair Labor Standards Act

All contracts and subcontracts that result from this Agreement should incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. The Concessionaire has full responsibility to monitor compliance to the referenced statute or regulation. The Concessionaire must address any claims or disputes that arise from this requirement directly with the U. S. Department of Labor – Wage and Hour Division.

1) Concessionaire agrees that within 90 days after the expiration of each Fiscal Year, during the term of the agreement, it will provide a report to the Port, in the form acceptable to the Port, (see attached ACDBE Report – Exhibit d) describing the total dollar amount of its purchases of goods and services during the Fiscal Year from all vendors, the gross revenue, the purchases from ACDBE firms must be listed to include the amount of purchases from ACDBE certified firms, the type of good or service being purchases from ACDBE certified firms, the name, address, and contact information of the certified firm, the type of certification, whether the firm is certified in the State of Washington as an ACDBE firm, the type of minority and the percentage of total purchases that the certified ACDBE purchases represent. Concessionaires shall provide any information necessary to complete the FAA reporting requirements and to keep the Port in compliance with regard to the FAA ACDBE program, including the developing, establishing, meeting and monitoring of the ACDBE goal for car rental companies

2) In the event the Port, as part of its plan to comply with the ACDBE Program Rules, adopts a plan (an "ACDBE" plan), Concessionaire comply with the terms and conditions of such ACDBE Plan applicable to Rental Car Companies.

3) The Concessionaire's breach of any obligation under Paragraphs (1) or (2) of this Article shall be a default by Concessionaire under the Agreement and shall entitle the Port to exercise all of its contractual and legal remedies, including termination of this or any other Agreement with Concessionaire.

34. PRIOR AND COLLATERAL AGREEMENTS

This Agreement shall constitute the entire agreement between the parties and no other stipulation, agreement or understanding, written or oral, expressed or implied of the parties hereto or of their agents, shall limit or modify its terms. This Agreement shall, as of the commencement date hereof, cancel and supersede all prior agreements, written or oral, expressed or implied, between the parties for the rights granted herein. This Agreement shall not be subject to modification or change except by written instrument duly signed.

35. LEGAL CLAIMS AND ATTORNEYS' FEES

A. Each party hereby shall promptly report to the other any claim or suit against it arising out of or in connection with the operation of the Concessionaire's business at the Airport. The Port and Concessionaire shall each have the right to compromise and defend the same to the extent of its own interest; provided the defense of the same has not been tendered and accepted by the other party. Concessionaire is an independent contractor in every respect, and not an agent of the Port.

B. If any legal action is instituted by either of the parties hereto to enforce this Agreement, or any part thereof, the prevailing party shall be entitled to recover reasonable attorney's fees and

Conservation and Recovery Act as amended, Model Toxics Control Act and the Washington State Hazardous Waste Law.

B. Concessionaire shall comply with any and all environmental and land use laws, regulations, permits, licenses and other authorizations required for the lawful operation of the business under federal, state and local laws, and shall remain in compliance therewith during the pendency of this Agreement and any extensions or renewals thereof.

C. Port shall comply with any and all environmental and land use laws, regulations, permits, licenses and other authorization required for the Port's actions on the Premises under federal, state or local laws, and shall remain in compliance therewith during the pendency of this Agreement and any extensions or renewals thereof.

D. Each party shall indemnify and hold the other harmless from any and all liability and expense (including the costs and attorneys' fees associated with litigation) incurred by the other party as a result of the breach or alleged breach of the foregoing warranties.

40. COVENANTS OF DEED

The Concessionaire expressly understands that all provisions of this Agreement are subject to the provisions of the deed under which the Port holds title to the above described property and that the rights established herein are subject to the terms and conditions set forth in that deed of January 6, 1953, recorded in the Franklin County Auditor's Office, Volume 89, Page 517 of Deeds, wherein the City of Pasco obtained title to the Premises from the Administration of General Services pursuant to authority of the provisions of the Federal Property and Administrative Services Act of 1949 and the Surplus Property Act of 1944 (58 Stat. 765) as amended and regulations and orders promulgated thereunder and the Concessionaire further agrees to abide by the covenants of such deed and the restrictions set forth therein which are imposed pursuant to authority of Article 4, Section 3, Clause 2 of the Constitution of the United States of America, the Federal Property and Administrative Services Act of 1949 (Public Law 152-81st Congress), the Surplus Property Act of 1944 as amended thereby, and the applicable rules, regulations and orders and that the use of the Premises by the Concessionaire shall be in accordance with such covenants and conditions of the same as though all of such covenants and conditions contained in such deed were set forth in full herein.

41. ENTIRE AGREEMENT - AMENDMENTS

This Agreement constitutes the whole agreement between the Port and Concessionaire. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing.

PORT OF PASCO NOTARY

STATE OF WASHINGTON)
) ss.
COUNTY OF FRANKLIN)

On this _____ day of _____, 2013, before me, the undersigned notary public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ _____, to me known to be _____ of the Port of Pasco that executed the within and foregoing instrument, and acknowledged that said instrument is the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument and that the seal affixed is the official seal of said entity.

Given under my hand and official seal the day and year last above written.

_____
NOTARY PUBLIC in and for the
State of Washington, residing
at _____
My commission expires: _____

SAMPLE

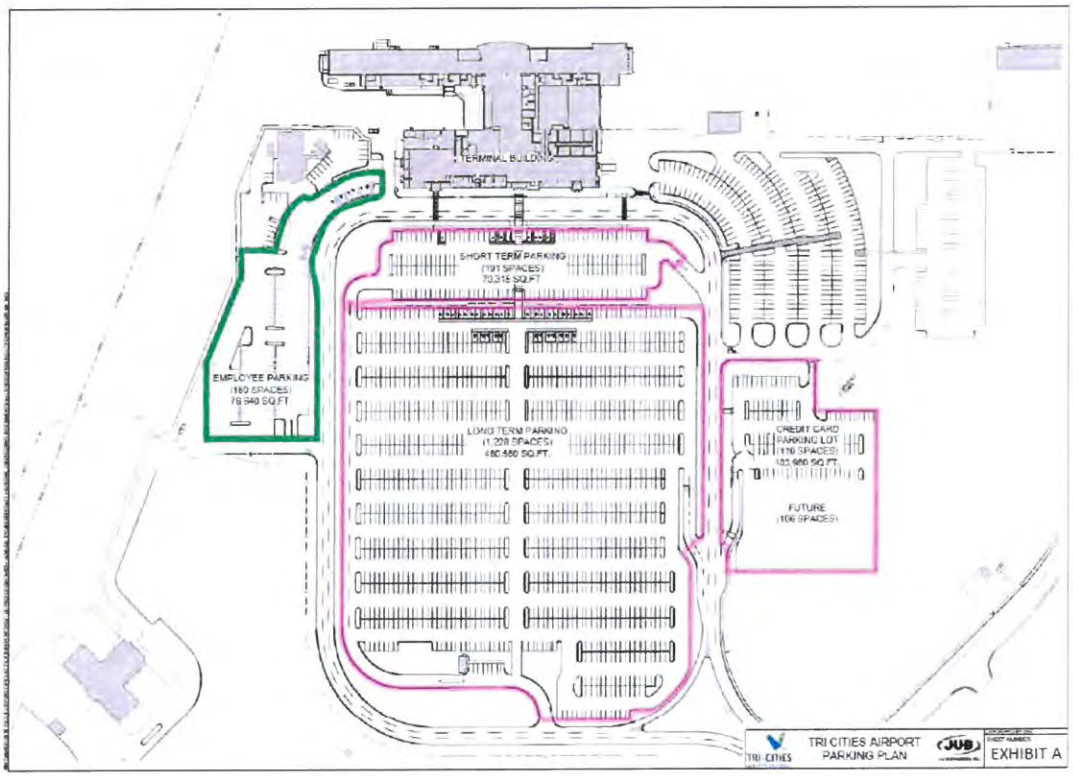
TERMINAL BUILDING
SHORT TERM PARKING
(191 SPACES)
70,315 SQ.FT.
EMPLOYEE PARKING
(160 SPACES)
78,940 SQ.FT.
LONG TERM PARKING
(1,228 SPACES)
480,580 SQ.FT.
CREDIT CARD
PARKING LOT
(110 SPACES)
FUTURE
(106 SPACES)
TRI CITIES
TRI CITIES AIRPORT
PARKING PLAN
JUB
EXHIBIT A

EXHIBIT C

PORT OF PASCO - TRI-CITIES AIRPORT (PSC)
Request for Proposals - Terminal Automobile Parking Concession
Current Parking Rates

Short Term Lot

0 to 25 minutes	free
25 minutes to one hour	$2.00
Each Additional Hour	$2.00
Daily Maximum	$13.00

Long Term and Credit Card Lots

0 to ten minutes	free
10 minutes to one hour	$2.00
One to twenty four hours	$10.00
Each additional 24 hour period or portion there of	$10.00

Employee Parking Lot

No Charge, for registered employees only

EXHIBIT E

REQUEST FOR PROPOSALS FOR TERMINAL PARKING CONCESIONAIRE

PLACEHOLDER

EXHIBIT G (CONTINUED)
PORT OF PASCO - TRI-CITIES AIRPORT (PSC)
Request for Proposals - Terminal Automobile Parking Concession
Historical Monthly Parking Revenues and Passenger Enplanements (Thru May 2018 YTD)

	2014 Feb	2014 Mar	2014 Apr	2014 May	2014 Jun	2014 Jul	2014 Aug	2014 Sep	2014 Oct	2014 Nov	2014 Dec	2015 Jan	Total	2014 YTD
Gross Parking Revenues	$204,662	$247,659	$211,480	$231,703	$225,796	$207,020	$217,152	$204,155	$246,442	$223,482	$236,539	$226,127	**$2,682,217**	$2,670,646
Less Sales Taxes	($16,207)	($19,612)	($16,747)	($18,348)	($17,880)	($16,393)	($17,196)	($16,167)	($19,515)	($17,697)	($18,731)	($17,906)	**($212,399)**	
Less Credit Card Transaction Fees	($3,747)	($3,617)	($3,567)	($4,328)	($3,764)	($4,194)	($3,786)	($3,621)	($3,879)	($3,587)	($4,483)	($3,958)	**($46,531)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$184,708	$224,430	$191,166	$209,027	$204,152	$186,433	$196,170	$184,367	$223,048	$202,198	$213,325	$204,263	**$2,423,287**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	**$78,600**	$78,600
Concession Fees	$128,287	$157,284	$133,001	$162,059	$191,658	$166,833	$175,888	$165,716	$203,115	$183,516	$193,976	$185,457	**$2,046,790**	$2,032,522
Total Airport Revenues	$134,837	$94,691	$88,554	$94,224	$95,353	$104,192	$135,619	$116,825	$136,982	$135,945	$130,483	$130,669	**$1,398,374**	$2,111,122
Passenger Enplanements	22,410	27,738	23,991	27,412	30,715	30,207	30,165	25,869	28,692	26,636	30,673	25,874	**330,382**	

	2015 Feb	2015 Mar	2015 Apr	2015 May	2015 Jun	2015 Jul	2015 Aug	2015 Sep	2015 Oct	2015 Nov	2015 Dec	2016 Jan	Total	2015 YTD
Gross Parking Revenues	$222,169	$257,531	$228,379	$236,564	$230,698	$231,967	$238,414	$210,663	$253,561	$260,786	$254,731	$259,522	**$2,884,985**	$2,851,590
Less Sales Taxes	($17,593)	($20,393)	($18,085)	($18,733)	($18,269)	($18,369)	($18,879)	($16,682)	($20,079)	($20,598)	($20,172)	($20,551)	**($228,403)**	
Less Credit Card Transaction Fees	($4,133)	($4,170)	($4,105)	($4,845)	($4,272)	($4,384)	($4,434)	($4,377)	($4,405)	($4,600)	($4,855)	($4,583)	**($53,163)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$200,443	$232,968	$206,189	$212,986	$208,157	$209,214	$215,101	$189,604	$229,077	$235,588	$229,704	$234,388	**$2,603,419**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	**$78,600**	$78,600
Concession Fees	$139,773	$163,517	$143,968	$176,628	$192,355	$188,019	$193,494	$171,528	$208,782	$214,903	$209,372	$213,775	**$2,216,114**	$2,187,796
Total Airport Revenues	$146,323	$170,067	$150,518	$183,178	$198,905	$194,569	$200,044	$178,078	$215,332	$221,453	$215,922	$220,325	**$2,294,714**	$2,266,396
Passenger Enplanements	23,133	28,428	25,582	26,931	31,762	33,334	32,176	26,667	29,443	29,650	35,121	28,650	**350,877**	

	2016 Feb	2016 Mar	2016 Apr	2016 May	2016 Jun	2016 Jul	2016 Aug	2016 Sep	2016 Oct	2016 Nov	2016 Dec	2017 Jan	Total	2016 YTD
Gross Parking Revenues	$238,662	$260,567	$253,341	$261,282	$242,206	$255,916	$248,428	$227,289	$274,832	$271,416	$257,734	$272,146	**$3,063,819**	$3,051,195
Less Sales Taxes	($18,899)	($20,634)	($20,062)	($20,690)	($19,180)	($20,266)	($19,673)	($17,998)	($21,763)	($21,493)	($20,410)	($21,551)	**($242,619)**	
Less Credit Card Transaction Fees	($4,597)	($4,712)	($4,626)	($5,040)	($4,847)	($4,984)	($4,649)	($4,795)	($4,875)	($4,354)	($5,480)	($5,191)	**($58,150)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$215,166	$235,221	$228,653	$235,552	$218,179	$230,666	$224,106	$204,496	$248,194	$245,569	$231,844	$245,404	**$2,763,050**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	**$78,600**	$78,600
Concession Fees	$150,521	$165,161	$160,367	$209,113	$198,065	$207,969	$202,744	$185,676	$226,752	$224,285	$211,383	$224,130	**$2,366,167**	$2,355,812
Total Airport Revenues	$157,071	$171,711	$166,917	$215,663	$204,615	$214,519	$209,294	$192,226	$233,302	$230,835	$217,933	$230,680	**$2,444,767**	$2,434,412
Passenger Enplanements	25,758	29,800	28,841	30,999	34,862	34,112	32,993	29,402	31,590	32,384	34,948	27,784	**373,473**	

EXHIBIT H

CONCESSIONAIRE'S PROPOSAL LETTER

PLACEHOLDER

EXHIBIT G (CONTINUED)
PORT OF PASCO - TRI-CITIES AIRPORT (PSC)
Request for Proposals - Terminal Automobile Parking Concession
Historical Monthly Parking Revenues and Passenger Enplanements (Thru May 2018 YTD)

	2017 Feb	2017 Mar	2017 Apr	2017 May	2017 Jun	2017 Jul	2017 Aug	2017 Sep	2017 Oct	2017 Nov	2017 Dec	2018 Jan	Total	2017 YTD
Gross Parking Revenues	$272,711	$319,892	$288,596	$304,077	$279,905	$282,555	$260,329	$264,147	$296,594	$292,876	$271,632	$258,016	**$3,391,330**	$3,405,460
Less Sales Taxes	($21,595)	($25,332)	($22,853)	($24,079)	($22,165)	($22,375)	($20,615)	($20,917)	($23,487)	($22,839)	($21,510)	($20,432)	**($268,199)**	
Less Credit Card Transaction Fees	($5,007)	($5,103)	($5,239)	($6,278)	($5,671)	($6,083)	($5,404)	($5,206)	($5,296)	($4,798)	($5,678)	($5,294)	**($65,057)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$246,109	$289,457	$260,504	$273,720	$252,069	$254,097	$234,310	$238,024	$267,811	$265,239	$244,444	$232,290	**$3,058,074**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	$6,550	**$78,600**	$78,600
Concession Fees	$173,110	$204,754	$196,057	$257,285	$227,874	$230,520	$213,701	$217,193	$245,192	$242,775	$223,227	$211,803	**$2,643,489**	$2,655,817
Total Airport Revenues	$179,660	$211,304	$202,607	$263,835	$234,424	$237,070	$220,251	$223,743	$251,742	$249,325	$229,777	$218,353	**$2,722,089**	$2,734,417
Passenger Enplanements	25,220	31,719	28,491	31,613	35,638	36,025	32,262	30,503	31,434	31,045	33,109	27,803	**374,862**	

	2018 Feb	2018 Mar	2018 Apr	2018 May	2018 Jun	2018 Jul	2018 Aug	2018 Sep	2018 Oct	2018 Nov	2018 Dec	2019 Jan	Total	2018 YTD
Gross Parking Revenues	$250,432	$308,541	$286,279	$298,954	$0	$0	$0	$0	$0	$0	$0	$0	**$1,144,206**	$1,402,222
Less Sales Taxes	($19,832)	($24,433)	($22,670)	($23,674)	$0	$0	$0	$0	$0	$0	$0	$0	**($90,609)**	
Less Credit Card Transaction Fees	($5,218)	($5,214)	($6,504)	($6,280)	$0	$0	$0	$0	$0	$0	$0	$0	**($23,217)**	
Net "Gross Receipts" as defined in the RFP "Sample Concession Agreement"	$225,382	$278,893	$257,105	$269,000	$0	$0	$0	$0	$0	$0	$0	$0	**$1,030,379**	
Revenues to Airport														
Booth Rent	$6,550	$6,550	$6,550	$6,550	$0	$0	$0	$0	$0	$0	$0	$0	**$26,200**	$32,750
Concession Fees	$157,979	$197,042	$184,209	$255,322	$0	$0	$0	$0	$0	$0	$0	$0	**$794,552**	$1,006,355
Total Airport Revenues	$164,529	$203,592	$190,759	$261,872	$0	$0	$0	$0	$0	$0	$0	$0	**$820,752**	$1,039,105
Passenger Enplanements	24,732	30,971	30,091	31,934	0	0	0	0	0	0	0	0	**117,728**	

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In 2016, we decided to sell Republic Parking System to Impark, the largest parking company in Canada. We explain the rationale behind this decision in the answer to question 2d of the proposal. We will continue to operate as a separate Airport Division under the Republic Parking System brand.

Republic Parking System realizes the importance of a first-class parking operation for the airport. Our employees often provide the first and last impression of the airport. For this reason, we take great care in hiring, orientation, and training of our employees.

We know that an operation with well-operating equipment and a professional, courteous staff is of prime importance to the success of your Airport. That is why we have proposed an operation that comes complete with training, supervision, technology, and equipment to achieve that important goal. We have invested in technology and consulted with you on parking lot design, PARCS selection, and other improvements. You can count on our experience to continue to support you at the airport grows over the next five years.

We have met your financial requirements per the addended RFP document. Additionally, we are providing an additional tier option for your consideration. If the Port were to increase parking rates by $1 for each lot to go into effect no later than twenty-four months after the contract start date, Republic would pay the port an additional concession tier at 95.25% for gross revenue (as defined in the contract) above $3,950,000. We believe this further incentivizes both Republic and the Port to continue to focus on building parking revenue over the next five years.

One of our main strengths is creating partnerships with the airport clients we serve that foster superior operations and customer service. We are confident of our ability to continue to provide the Tri-Cities Airport with the highest level of customer service and parking management.

We sincerely hope to be selected to serve you and look forward to the opportunity to work closely with the airport staff in serving the needs of customers using the airport.

If I can answer any questions, please do not hesitate to contact me.

Sincerely,

Robert V. Linehart
Senior Vice President
Airport Services

Port of Pasco — Request for Proposals
Tri-Cities Airport (PSC) — Terminal Automobile Parking Concession

B. PROPOSAL LETTER - The following Proposal Letter, without text revisions and with a completed Attachment A, MUST be included in your proposal:

Buck Taft
Airport Director
Tri-Cities Airport
3601 North 20th Avenue
Pasco, WA 99301

Dear Mr. Taft:

The undersigned, having examined the Instructions to Proposers, the Sample Terminal Automobile Parking Concession Agreement, and any and all related documents for the proposed terminal public automobile parking operation concession at Tri-Cities Airport (Pasco, Washington) and having become sufficiently familiar with the proposed public parking facilities and equipment therefor and conditions of operation thereof, hereby proposes to pay monthly to the Tri-Cities Airport during the five-year term of the Terminal Automobile Parking Concession Agreement, the greater of the Minimum Monthly Guarantee (MMG) or the Percentage Concession Fees of its monthly "Gross Receipts" (as defined in the Sample Concession Agreement) for each year of the five-year term as indicated in Attachment A to this Proposal Letter.

We understand that the Port's minimum requirements for proposed Concession Fee Percentages and MMG amounts for each year of the agreement term are as follows:

	Percentage of Gross Receipts to PSC	Minimum Monthly Guarantee
Gross Receipts:		$70,000
$0 - $750,000	55%	
$750,001 - $900,000	100%	
$900,001 - $1,000,000	95%	
$1,000,001 - $1,500,000	93%	
$1,500,001 and over	94%	

The undersigned agrees to execute the Terminal Automobile Parking Concession Agreement included in RFP documents, as amended in the final RFP Addenda. Attached hereto is a certified cashier's check (or other acceptable collected funds) in the amount of Five Thousand Dollars ($5,000) payable without condition to the Tri-Cities Airport, which may be retained by the Port as liquidated damages, and not as a penalty, in the event of failure of the undersigned to execute the Terminal Automobile

Port of Pasco — Request for Proposals
Tri-Cities Airport (PSC) — Terminal Automobile Parking Concession

Dated at Chattanooga, TN
this 5 day of October, 2018.

Physical address, electronic mail address and telephone number of proposer:
633 Chestnut Street, Suite 2000
Chattanooga, TN 37450
blinehart@republicparking.com
423-756-2771

Signature of proposer authorized to execute and commit the proposing entity to the Concession Agreement:

If an individual: NA
Doing business as: _____

If a partnership: NA
Doing business as: _____
By (General Partner): _____

If a corporation: NA
By: _____
Title: _____
(notarized seal is required to be affixed to this Proposal Letter)

If a limited liability company: Republic Parking System, LLC
By: Ty Stafford
Title: CEO

Alternate Proposal

As an alternate option for the Port to consider, Republic is providing the following option: If the Port were to increase parking rates by $1 for each lot to go into effect no later than twenty-four months after the contract start date, Republic would pay the port an additional concession tier at 95.25% for gross revenue (as defined in the contract) above $3,950,000. We believe this further incentivizes both Republic and the Port to continue to focus on building parking revenue over the next five years.

Port of Pasco — Request for Proposals
Tri-Cities Airport (PSC) — Terminal Automobile Parking Concession

ATTACHMENT A TO PROPOSAL LETTER

	Proposed of Monthly to Airport	Proposed Percentage Minimum Gross Receipts Guarantee
Agreement Year 2019-2020		
Receipts:		$ 70,000
$0 - $750,000	55 %	
$750,001 - $900,000	100 %	
$900,001 - $1,000,000	95 %	
$1,000,001 - $1,500,000	93 %	
$1,500,001 - $3,950,000	94 %	
$3,950,001 and over	95.25%	$ 70,000
Agreement Year 2020-2021		
Gross Receipts:	55 %	
$0 - $750,000	100 %	
$750,001 - $900,000	95 %	
$900,001 - $1,000,000	93 %	
$1,000,001 - $1,500,000	94 %	
$1,500,001 - $3,950,000	95.25%	
$3,950,001 and over		$ 70,000
Agreement Year 2021-2022	55 %	
Gross Receipts:	100 %	
$0 - $750,000	95 %	
$750,001 - $900,000	93 %	
$900,001-$1,000,000	94 %	
$1,000,001 - $1,500,000	95.25%	
$1,500,001 - $3,950,000		
$3,950,001 and over		
Agreement Year 2022-2023		
Gross Receipts:	55 %	$ 70,000
$0 - $750,000	100 %	
$750,001 - $900,000	95 %	
$900,001 - $1,000,000	93 %	
$1,000,001 - $1,500,000	94 %	
$1,500,001 - $3,950,000	95.25%	
$3,950,001 and over		
Agreement Year 2023-2024		
Gross Receipts:	55 %	$ 70,000
$0 - $750,000	100 %	
$750,001 - $900,000	95 %	
$900,001 - $1,000,000	93 %	
$1,000,001 - $1,500,000	94 %	
$1,500,001 - $3,950,000	95.25%	
$3,950,001 and over		

Page 21 of 26

c. Proposer intends to operate the public automobile parking concession as a corporation (___); LLC (X); partnership (___); joint venture (___); sole proprietorship (___). Please complete the appropriate entity statement as provided below:

NA CORPORATION STATEMENT - If a corporation or a corporation-in-formation, answer the following:

i. When incorporated? _____ ii. Where incorporated? _____ iii. Is the corporation authorized to do business in Washington?
Yes (___) No (___) If so, as of what date? _____

iv. Furnish the following information about the principal officers and any shareholders with 5% or more ownership of the corporation:

NAME	TITLE	ADDRESS

v. Name and address of agent for process in the State of Washington:

_____
_____
_____
_____

NA JOINT VENTURE STATEMENT - If a joint venture, answer the following:

i. Date of organization? _____
ii. Has the joint venture done business in Washington? Yes (___) No (___)
iii. Name and address of each joint venture:

NAME	ADDRESS

NA SOLE PROPRIETORSHIP STATEMENT - If a sole proprietorship, furnish the following:

i. Proprietor's name in full: _____
ii. Address:
_____
_____
_____
iii. Company name: _____
iv. Company address:
_____
_____
_____
v. How long in business under this company name? _____

f. Give names, addresses, and telephone numbers for airport landlords, if any, for all operations listed in question 2e above.

g. Give name, location, and date of all public parking concession operating contracts for airport locations, if any, that have been terminated within the past five years, for any reason, either voluntarily or involuntarily, prior to the expiration of their term; also list any judgments terminating public parking concession agreements operated by you within the past five years. If none, indicate "none" here (none).

h. Name and experience of key personnel of proposer:

NAME	TITLE	EXPERIENCE
Listed in proposal		

i. State the names and discount fee percentages that you pay for your credit card affiliations.

j. State the number and locations of other public parking facilities you operate in the Tri-Cities area, if any.

k. State salary/wage ranges for employment positions and benefits offered to employees.

3. FINANCIAL INFORMATION

For each question below that requires additional space to answer, please provide an attachment, indicate the question number (e.g., "Financial Information, question 3a") and restate the corresponding question.

a. Financial Statements.

All proposers must provide financial statements for their organizations for at least the last two fiscal years. Included therein shall be information naming the principals, their addresses and telephone numbers, and local and regional management personnel and their addresses and telephone numbers. The Port reserves the right to confirm and request clarification of all information provided. Incomplete disclosures may deem a proposal to be non-responsive.

BID BOND DOCUMENTS

Originals sent - FedEx Shipment 773422096360 - Delivered 10/9/18

BID BOND **Travelers Casualty and Surety Company of America**
Hartford, CT 06183

KNOWN ALL BY THESE PRESENTS, That we, Republic Parking Systems, LLC, as Principal, and Travelers Casualty and Surety Company of America, as Surety, are held and firmly bound unto Tri-Cities Airport, Pasco Washington, as Obligee, in the sum of Five Thousand & 00/100 ---------- Dollars ($5,000.00) for the payment of which we bind ourselves, and our successors and assigns, jointly and severally, as provided herein.

WHEREAS, Principal has submitted or is about to submit a bid to the Obligee on a contract for parking management ("Project").

NOW, THEREFORE, the condition of this bond is that if Obligee accepts Principal's bid, and Principal enters into a contract with Obligee in conformance with the terms of the bid and provides such bond or bonds as may be specified in the bidding or contract documents, then this obligation shall be void; otherwise Principal and Surety will pay to Obligee the difference between the amount of Principal's bid and the amount for which Obligee shall in good faith contract with another person or entity to perform the work covered by Principal's bid, but in no event shall Surety's and Principal's liability exceed the penal sum of this bond.

Signed this 5th day of October, 2018.

Republic Parking System, LLC
(Principal)

By: _____

Travelers Casualty and Surety Company of America

By: Dawn Denise Wright
Dawn Denise Wright, Attorney-In-Fact

DETAILED QUALIFICATIONS & EXPERIENCE

Question 2a

Please see proposal form

Question 2b

Provide/Attach documentation of the parking revenue control procedures that you would implement at Tri-Cities Airport using the revenue control system and equipment that the Port is providing for the public parking concession operation (see the Exhibit B Parking Lot Inventory List in the Sample Concession Agreement for details regarding the equipment to be provided).

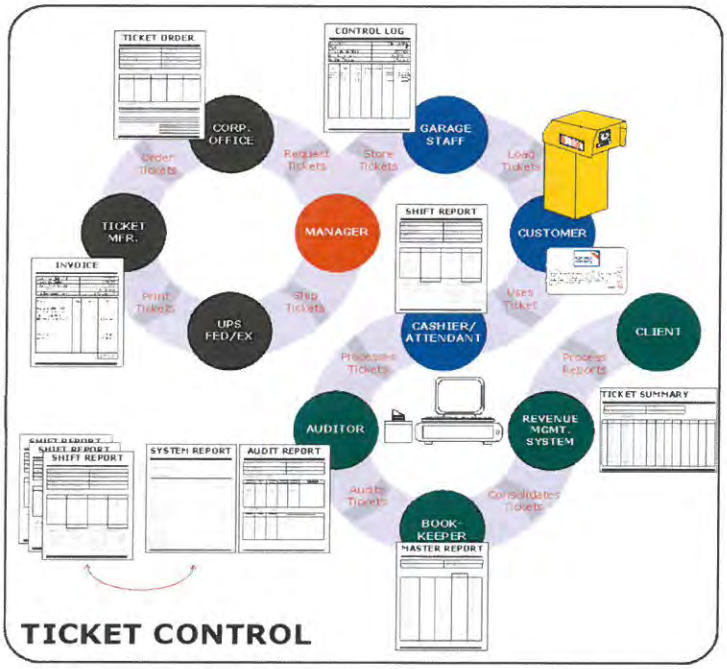
Revenue Control Systems

Total revenue control starts with control and balancing of the three basic functions within the parking operation: ticket control, transaction control and cash/revenue control. Over the years Republic has developed very stringent and detailed methods creating total accountability and audit trails for each of these categories.

Standard Operating Procedures (SOP) Manual

All control starts with detailed directives and responsibilities. Republic Parking uses customized Standard Operating Procedures (SOP) manuals for all airport locations. Ticket Control

This chart demonstrates the controls in place from the purchase of ticket stock through the collection and reporting of the revenues to the county. The basis for a sound revenue control system is the control of the inventory item.



In parking, our inventory is the parking space, but the control item is the ticket. All tickets are tracked from the time they are ordered. All tickets are entered "in" to the Ticket Inventory directly from the invoice. When a machine needs tickets the next group of sequentially numbered tickets are distributed to the machine and noted as "out" in the Ticket Inventory Log.

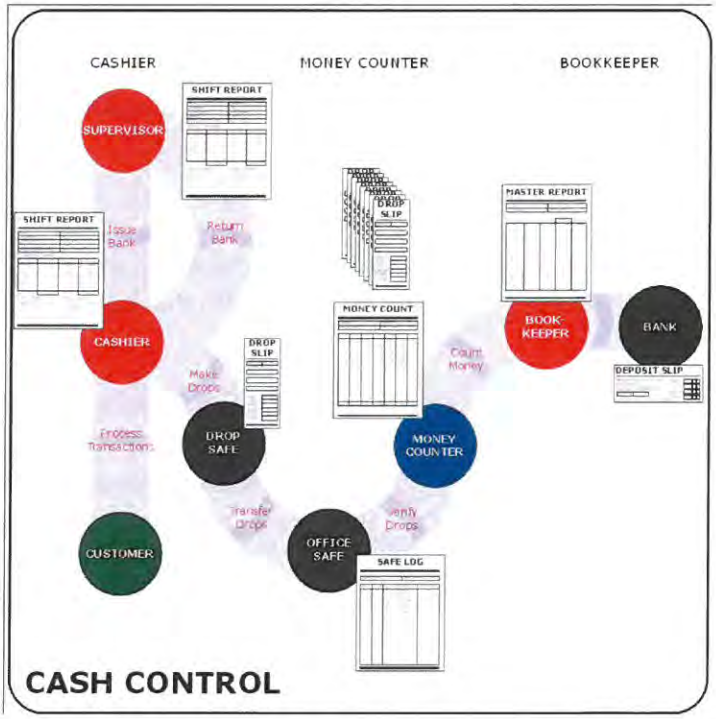
Tickets are always issued in sequential order. The date and time of issue is imprinted on each ticket at the time the ticket is issued either by a ticket machine or manually stamped

Transient Exits	Tickets Returned	Cash Transactions
=	=	
(Total Exits – Card Exits)	(Tickets Issued – Vehicles in Inventory)	

In the ticket control section, this is one of the main mechanisms used to verify that all vehicles are issued a ticket. The counters are connected to the exit loops and will make sure every vehicle that exits the facility will be counted. If the exit count does not match the number of transactions performed and tickets returned, then further investigation is necessary. If vehicles are exiting in some other fashion that the exit lane (i.e. driving out the entrance lane, emergency lane or hopping the curb), then we will take action to make sure all vehicles exit in the proper area. If you do not use independent, non-resettable counters to check the automated system, you do not have complete revenue control.

Cash/Revenue Control

It is essential in a successful parking operation to provide clear and concise procedures for operating your revenue control system. To ensure proper execution of these procedures, Republic Parking creates written transaction procedures and trains all parking personnel in these procedures until they are fully understood and can be consistently performed. Managers, supervisors and cashiers must understand the procedures completely to be able to address unanticipated issues.



When the standardized procedures cannot be followed, the deviations must be clearly noted in a shift event log, providing management and auditors with an easy to understand, documented, explanation of what took place. The log book provides valuable insight, as well as transparency. This leads to better understanding by all and a demonstration that proper procedures were followed. Legitimate transactions can be more easily confirmed, without spending unnecessary time to investigate.

Lastly, we review 100% of all exception tickets for compliance with procedures. This includes a 10% audit of all completed lost ticket forms by first verifying the entry date by comparing the license plate number with our inventory, and then contacting the customer to gauge their satisfaction with our service and to verify the amount collected. A record is maintained of all lost tickets so that we can verify

Credit Card Acceptance/PCI Compliance

Republic Parking System accepts and processes credit cards at every one of our airport locations throughout the United States. Republic offers the most competitive processing rates in the industry due to the volume of revenue we collect. In promoting new technology, we also have experience in web-based payments. Collection of revenue via credit cards reduces cash handling and, therefore, is a much more secure method of revenue collection.

We will work diligently to maintain PCI compliance. We are totally PCI compliant from a corporate perspective. Our corporate IT team is continually monitoring and testing to ensure our continued PCI compliance. Attached is our corporate certificate verifying compliance.

Trustwave PCI DSS Certificate of Compliance DB5B-5C4A-7D4A-9A54

Self-Assessment Questionnaire

Status: Pass 2014-09-23 09:02:32, valid through 2015-09-23
Version: SAQ C
Attested By: Alan Doherty, Sr. Vice President - Revenue Control

Vulnerability Scan

Status: Pass 2014-12-28 09:30:08, valid through 2015-03-28
Scan Vendor (ASV): Trustwave

Awarded To: RPS DAYTONA BEACH

Client Authorization: Alan Doherty

Personal Checks

Checks are discouraged, but will be accepted, if necessary, and the following criteria are met:

- It must be for the amount of parking fee only.
- It must be a personal check and have the patron's full name, address and telephone number.
- A form will be filled in with the same information, plus the customer's name, date, bank name and check number. This form will be kept on file pending clearance of the check.
- A current driver's license number or Social Security Number.

Disputed Fees

Except for manually entered tickets, there should be no disputed fees, as in most cases the computer reads the ticket and automatically computes the fee. However, in the event of a complaint, the on-site manager should be contacted, if possible, to handle the situation. A record of such proceedings must be recorded in detail in the Shift Event Log Book.

Insufficient Funds

In the event the customer has no money (or not enough money) and does not have a valid check or credit card and has no ATM card and has no one to bring the necessary funds then an insufficient funds invoice will be issued to the customer. This invoice is a four-part form that will be filled in the customer's information using a valid driver's license. The customer can then mail the amount due to the parking office.

The four copies of this form should be distributed as follows:

- To the customer
- Attached to the daily report to justify the shortage
- 7 day pending file. If payment is not received in 7 days, collection letters are distributed. If the customer does not pay within 7 days of his second notice letter, the insufficient funds notice should be forwarded to the Police, just as if it was a bad check.
- To the employee's file to ensure the cashier is not abusing this policy.

REPUBLIC PARKING

_____ Facility
Drop Slip

Date _____
Prepared by _____
Verified by _____

Count	Denominations	Amount
	Hundreds	
	Fifties	
	Twenties	
	Tens	
	Fives	
	Twos	
	Ones	
	Other	
	Total Bills	
	Halves	
	Quarters	
	Dimes	
	Nickels	
	Cents	
	Other	
	Total Coins	
	Total Cash	

Cash Drops

All cashiers are required to make cash drops throughout their shift to ensure minimum amounts of cash are maintained in the booths. By recording the time and an amount of each cash drop, the cashiers verify compliance with this procedure.

By monitoring cash on hand, the likelihood of the parking booth becoming a target for robbery is reduced. All cashiers' work, as well as cash drop reports, is reviewed by a manager. Consolidated drops are not performed by the individual shifts. Cash Drops are removed each morning and consolidated into a deposit by management and then transported to the bank for deposit.

Cash Accumulation

During busy periods, the amount of money in the cash drawer can become substantial. At the first opportunity, all funds in excess of $500.00 should be extracted, verified by signature of the cashier and a supervisor, placed in a sealed envelope showing the date, time and amount, and dropped into the

Particular attention should be paid to the proper completion of lost ticket forms; full signatures on employee tickets, correct entry and exit times and dates, and reconciling exit counter information to daily tickets. Any deviation from established procedures is recorded on the Cashier Audit Report form. The audit is then discussed with the cashier so that the cashier is praised for properly following procedures or counseled on the correct procedure, so no repetition shall occur.

Cashier Audit Report

The ticket audit verifies the following:

- All vehicles are issued a ticket
- All tickets are issued in sequential order
- All tickets are returned and accounted for
- The appropriate fee is collected for each ticket
- All tickets are categorized correctly based on length of stay and thus the fee collected
- All cash is accounted for
- Cash is deposited to the bank (or safe)

Ticket Audit Procedures

Cashier audits are done daily. This lets the cashier know their work is reviewed daily and that we care about their performance. Our first duty is to prevent them from being tempted to misappropriate funds. Daily audits send a clear signal that theft and sub-standard work will not be tolerated.

- **Review Journal Tape** — unusual or inconsistent activity will show up on the journal tape as repeated log off/log on activity. We monitor log off and log on times to match each cahier's shift and look for unusual transactions that were started but changed or stopped prior to completion.

- **Review All Tickets** — because tickets are issued in sequence, the time of issue should follow that sequence. If ticket 001 was issued at 10:00am then ticket 002 will have been issued after 10:00 am. Review of the sequence of ticket numbers and time is also part of our audit process. he times to make sure this is true.

Likewise, we will review the transaction times for the same time sequence. For this reason, all tickets will be kept in transaction order so the ticket auditor can quickly determine all tickets have been correctly processed. Short-timing tickets are a favorite trick used to cheat the system and/or steal money.

Review Exception and No Charge Tickets

All transactions that are other than normal and all no charge tickets will be verified as valid. Excessive exception tickets and unauthorized no charge tickets will be grounds for immediate disciplinary action.

- Verify Validation Coupon Purchase Procedures
- Verify Validation Coupon Inventory Procedures
- Verify Validation Log Entries
- Verify Handicapped Parking Discounts

LOT INVENTORY PROCEDURES

- Review Lot Inventory Procedures
- Review Lot Inventory Contractual Requirements
- Proof Lot Inventory Performance
- Proof LPI System Data
- Confirm Lot Inventory Procedures
- Review Abandoned Car List
- Reconcile LPI Data
- Proof Excel Spreadsheet Formulas

CASHIER REPORTS AND TRANSACTIONS

- Check Math
- Review and Record Discrepancies
- Verify Equipment Time
- Review Clear or Cancel Key Transactions
- Review Event Shift Logs

CONTRACT PARKING CARDS

- Verify Contract Parking Card Inventory Procedures
- Verify Access Card Audit Process
- Number of Revenue Producing Cards Billed
- Verity the Total Number of Active Cards
- Number of Free Cards Billed

ANALYSIS

- Review Revenue Data
- Verify Count Data
- Verify Employees
- Verify Employee Packet Completeness
- Verify Uniform Compliance
- Review Work Schedule
- Review Break Compliance
- Verify Employment Notices
- Review Company Vehicle Usage
- Review Employee and Payroll files
- Verify Relatives
- Review Time Sheets/Time Cards
- Review Staffing Levels
- Review Cashier Break Procedures
- Verify Cashier User Name & Login ID
- Verify Cashier Manuals

LOCATION OBSERVATIONS

- Verify Parking Rates
- Review Facility Maintenance
- Review Daily Audit Procedures
- Review Valet Parking Procedures
- Verify Fire Extinguishers
- Review Manual Receipt Book
- Review Physical Integrity
- Review Facility Security
- Verify Valet Compliance with Policies
- Verify Key Storage Procedures

At the conclusion of each audit, a written report will be issued. A copy goes to the airport, the location manager (who is required to respond in writing to each item of the audit within 21 days of receiving it), and the senior vice president. Any required follow-up will be directed by the senior vice president, and subsequent audits will first review the claimed actions from the previous audit.

Our revenue control requirements are among the most stringent in the industry. We strive for secure perimeters, full accountability for every ticket issued, all vehicle exits accounted for, 100% accuracy in all transactions both procedurally and monetarily, and full transparency in all financial matters. We constantly review our operations with the help of our supervisors, managers, internal auditors, Mystery Parker/Shoppers, and executives of the Firm, in an ongoing effort to assure complete control of every aspect of the operations. It is a never-ending job that must be performed continuously.

than 240 cities, servicing over 3,500 locations, and generating $1.5 billion in revenue. Impark specializes in parking management, valet, shuttle, enforcement, meters, engineered designs, automated solutions, and revenue control. It is employee focused ensuring enhanced customer service and value driven solutions to maximize client parking assets and revenue generation. Its industry experts specialize in Airports, Commercial Buildings, Education, Healthcare, Hospitality, Municipalities, Residential, Retail, and Sports/Entertainment. In 2012, Impark was acquired by the Ontario Teacher's Pension Plan based in Toronto, Canada. The Ontario Teacher's Pension Plan with more than $170 billion under management owns several companies and gives Impark and Republic tremendous financial resources and strength which will contribute to their market leading position.

Under Impark, Republic continues to operate a dedicated Airport division committed to the unique demands and needs of its airport clients. With the combined strength and synergy of the two companies becoming one entity, you can be assured we will continue to serve our clients and customers with the same personal service, dedication, and excellence.

Question 2e

Submit a list of five (5) locations similar to Tri-Cities Airport where you have operated terminal automobile parking facilities within the last five consecutive years, giving the dates of operation for each location and the gross revenues for each operation for the last five years.

As you are aware all airports are unique. While Republic implements a uniform set of policies and procedures for every airport, we customize them for the specific differences in each airport. Because of these differences, we are submitting a list of 18 references of airports that have similarities to Tri-Cities.

Question 2f

Give names, addresses, and telephone numbers for airport landlords, if any, for all operations listed in question 2e above.

Client Airport	Contact Name	Phone	Email
Blue Grass (Lexington KY)	Eric Frankl, Executive Director	859.425.3141	efrankl@bluegrassairport.com
Chattanooga Metropolitan	Terry Hart, President	423.855.2201	thart@chattairport.com
Columbia Metropolitan	Mike Gula, Executive Director	803.822.7878	m.gula@columbiaairport.com
Daytona Beach International	Rick Karl, Director of Aviation	386.248.8030	fkarl@co.volusia.fl.org
Destin-Ft. Walton Beach Airport	Tracy Stage, Director of Aviation	850.651.7160	tstage@co.okaloosa.fl.us
Eastern Iowa Airport, Cedar Rapids	Don Swanson, Director of F & A	319.731.5715	dswanson@crairport.org
Eugene Airport	Tim Doll, Airport Director	541.682.5430	tim.m.doll@ci.eugene.or.us
Fort Wayne International	Scott Hinderman, Executive Director	260.747.4146	hinderman@fwairport.com
Lubbock International	Kelly Campbell, Director of Aviation	806.775.3126	kcampbell@mail.ci.lubbock.tx.us
Missoula International	Cris Jensen, Director of Airports	406.728.4831	cris.jensen@flymissoula.com
Myrtle Beach International	Scott VanMoppes, Director of Airports	843.448.1580	vanmoppess@horrycounty.org
Northwest Arkansas Regional	Kelly Johnson, Airport Director	479.205.1000	kelly.johnson@flyxna.com
Northwest Florida Beaches Int'l	Parker McClellan, Executive Director	850.636.8950	pmcclellan@pcairport.com
Pensacola International	Dan Flynn, Airport Director	850.436.5000	dflynn@ci.pensacola.fl.us
Sarasota Bradenton Int'l	Fredrick Piccolo, Executive Director	941.359.5200	fredrick.piccolo@srq-airport.com
South Bend Regional	Mike Daigle, Executive Director	574.282.4590	mdaigle@sbnair.com
St Petersburg Clearwater Int'l	Tom Jewsbury, Airport Director	727.453.7800	jewsbury@fly2pie.com
Tallahassee International	David Pollard, Interim Director of Aviation	850.891.7815	david.pollard@talgov.com

Question 2g

See proposal form

Graham Leach

Regional Manager

A graduate of the University of Tennessee at Chattanooga, Graham has been a part of the Republic Parking team since 2012. He started out managing 32 self-park lots in Downtown Seattle and quickly moved to airport operations. Graham is one of our Regional Airport Managers, responsible for numerous airport operations in Washington, California, Montana, Arizona, Alaska and North Dakota. His responsibilities include revenue control, customer service, P & L performance, hiring and training of staff, and all facets of providing first class operations at all of our facilities.

Benjamin D. Wolfley

Chief Financial Officer

Ben has more than 20 years of experience in accounting and finance, including several positions as a principal financial executive. As a senior financial executive, Ben has engineered public offerings, financing, private debt and equity placements ranging from $1 million to $400 million. Ben holds a BS degree in accounting from the University of Utah and is a certified public accountant.

Alan Doherty

Senior Vice President-Revenue Control

Alan has over 40 years of parking operations and management experience. During his tenure at Republic Parking System, he has gone from manager to vice president to senior vice president. His wide range of experience in all aspects, and at all levels, of the parking industry is a tremendous asset to our clients. The Revenue Control Department is responsible for the evaluation, selection and procurement of revenue control systems, the development of revenue control policies and procedures, internal audits, and the management of Republic Parking System's credit card merchant accounts.

6304 WESTMORELAND LANE PASCO WA 99301
509-619-2257, THEWELL@REPUBLICPARKING.COM

TERESA NEWELL

OBJECTIVE

To continue to grow, experience and help to develop the individuals and an organization with which I am associated. I would like to advance to Regional or District Manager responsibility in the near future.

SUMMARY OF QUALIFICATIONS

- 15 years' experience in parking management and operations.
- Familiar with Federal APD, Skidata, Datapark, Parkwhipp, Parktrak, Lotus Notes, Citrix, PARIS, DataCap, Payment Express, Attendance on Demand, Converge and Mircrosoft Office.
- Direct management of more than 10 employees
- General Accounting
- Customer Service and Client Relations

WORK EXPERIENCE

02/2009-Present Republic Parking System Tri-Cities Airport, Pasco,WA
Operations Manager

- Travel to different locations to train new management and open new locations.
- Perform operational audits of all areas and the implementation of new policies, programs, and system technology to meet operational needs at various locations.
- Maintain relationships with key vendors and parker groups.
- Implement employee training programs-recruiting and staff development.
- General Accounting Daily, Weekly, and Monthly reporting of revenue.

08/2003-02/2009 Ampco System Parking Tri-Cities Airport, Pasco,WA
Facility Manager

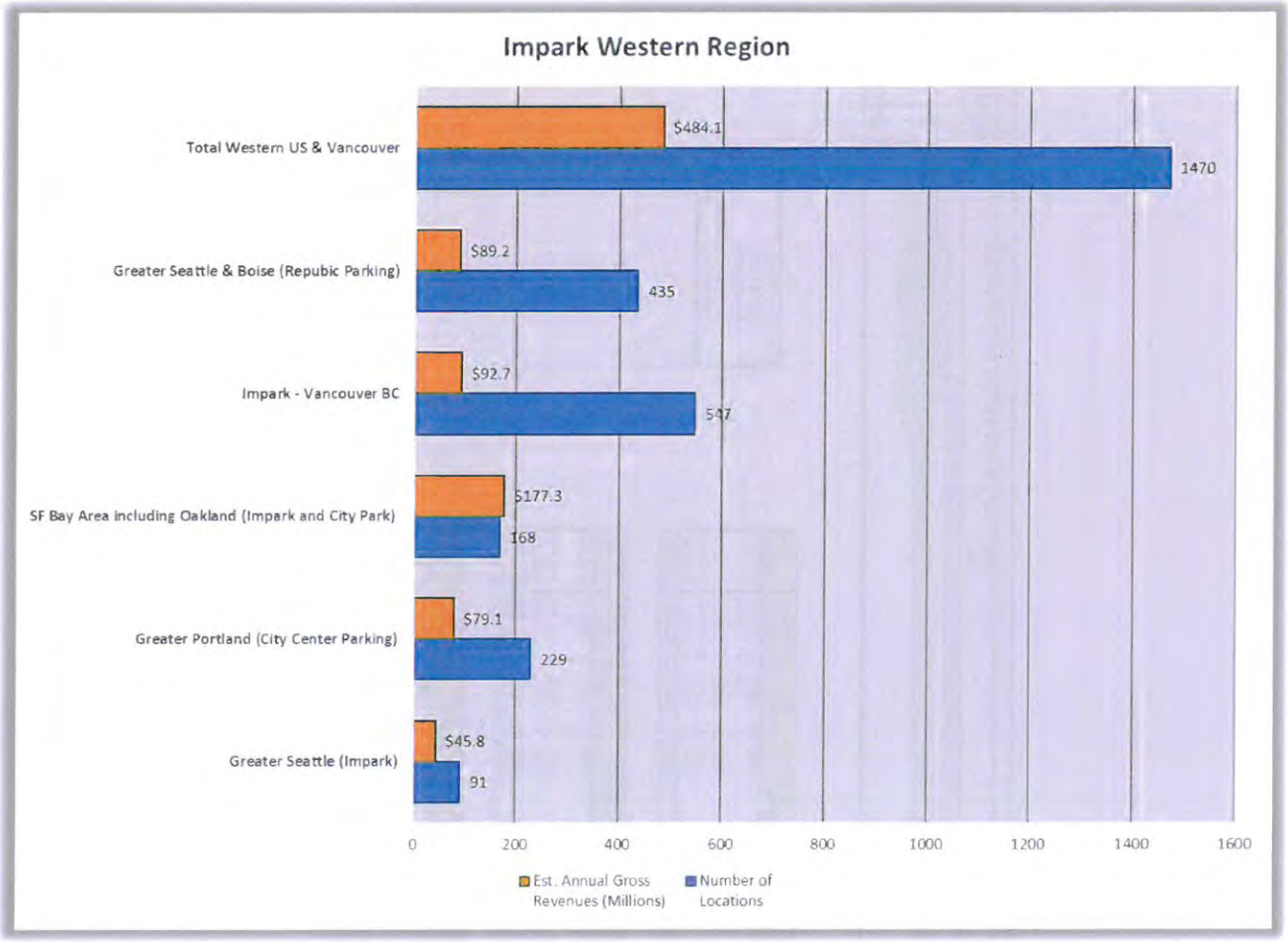
- Maintain key parker and vendor relationships.
- Implement employee training programs-recruiting and staff development.
- Operational Audits of all areas of the operation.
- Daily, Weekly and Monthly reporting.

EDUCATION AND COMMUNITY INVOLVEMENT

Graduated in 2000 from Flathead High School, Kalispell,MT
Certification in Telephone Installation from Alamon Telco, INC Kalispell, MT
Currently enrolled in the International Parking Institute for my CAPP certification (Certified Administrator of Public Parking).
Pasco Tri Cities Optimist Club/Optimist International Member since 2011 Board Member from 2012 to Present.

REFERENCES

Available upon request



Question 2k

State salary/wage ranges for employment positions and benefits offered to employees.

Please find the work coverage schedule, hours, and salary & wage ranges in the charts below for all employees. We have listed the parking wages for 2018 thru 2019 since the state of Washington has required a generous average wage increase. We offer all employees a 401k plan in which Republic matches dollar for dollar on the first 6% of contributions. We offer a comprehensive health plan that offers several different plan options, with Republic paying 60% of the cost and employees to paying the remaining 40% of the premium.

ADDITIONAL INFO/MARKETING

Basic Customer Service Amenities

Vehicle Assistance – Republic Parking System can offer the patrons assistance with minor vehicle problems that should arise during normal working hours. Several services we could provide would be jump-starts for dead batteries; assistance in finding lost vehicles and inflating flat tires.

Locksmith Service Republic Parking System will arrange an agreement with a local locksmith to help with vehicle lockouts. Many times, a company is willing to provide the service at a substantially reduced rate, which is greatly appreciated by the customer during these stressful situations.

Uniforms

Republic Parking System requires its employees to be well-groomed, in uniform, and pleasant and helpful to airport patrons. Below is a picture of options for the employee uniform. Republic has several components to its uniforms which allow the Airport to choose the best combination of pieces for their operation. Choices are below:

TYPE	STYLE	COLOR OPTIONS
Shirt	Short Sleeve Polo	Red, White, Blue
Shirt	Long Sleeve Polo	Red, White, Blue
Shirt	Short Sleeve Button-down	Light blue, White
Shirt	Long Sleeve Button-down	Light blue, White
Pants	Pleated	Khaki, Navy
Shorts	Pleated	Khaki, Navy
Sweatshirt	Heavy Pique Cotton	Navy
Jacket	Windbreaker	Red
Jacket	Mid-weight	Red
Jacket	Parka	Red
Baseball Cap	Cotton	White
Baseball Cap	Wool	Blue

Customer Feedback Surveys - Surveys are periodically distributed to solicit feedback on the parking operation and the level of customer service. In addition, the surveys are available at any time for customer comments. The results are compiled and used to correct any deficiency found and to reward good performance and ensure it will be repeated. The survey is an excellent management tool to measure the on-going performance of the operation and to ensure a professional parking management system.

PARKING SURVEY

Republic Parking System at Tallahassee Regional Airport is striving to provide consistent, quality service to you. Your input is valuable to us. Please complete the questionnaire below and return by mail. The postage has been paid!

Date you left facility: _____

Time you left facility: _____

Cashier/Attendant Name: _____

Approximately how long did you wait to exit?
_____ Minutes

Did you use: ☐ Attended Lane
☐ E-Ticket Express

Were you offered a receipt? ☐Yes ☐No

What improvements would you like to see?
_____
_____
_____

OPTIONAL
Name _____
Address _____
_____
E-mail _____

PLEASE RATE THE FOLLOWING

Appearance of Personnel
Excellent Very Good Good Fair Poor

Courtesy of Personnel
Excellent Very Good Good Fair Poor

Customer Service
Excellent Very Good Good Fair Poor

Facility Lighting
Excellent Very Good Good Fair Poor

Facility Directional Signs
Excellent Very Good Good Fair Poor

Cleanliness of Facility
Excellent Very Good Good Fair Poor

Ease of Use of Facility
Excellent Very Good Good Fair Poor

Additional comments or suggestions _____
_____
_____
_____

Thanks for taking the time to complete our survey!

Customer/Employee Suggestions - We constantly encourage our customers and employees to make suggestions to improve the service we provide them. The communication of ideas, comments and recommendations are a vital part of delivering the service our customers want. Suggestion forms are conveniently displayed in conspicuous places. When an employee submits a suggestion that is accepted and implemented, the employee will receive a cash award of from $10.00 to $100.00 depending on the value of the suggestion.

Customer Relations Policy - Our goal is to provide the highest level of customer service and satisfaction. All customer inquiries will receive a professional response within 48 hours of their receipt. Customer inquiries are treated as opportunities to listen to our customers and situations from which we can learn and improve. Like the Mystery Parker, these inquiries are investigated by the location manager. He or she must speak with all appropriate staff members during this investigation and respond back to the affected customer within 48 hours with a copy of the letter to the Airport. Positive inquiries or reports will result in favorable reviews and positive recognition including awards and certificates of recognition. A monthly report of inquiries is prepared and distributed by the manager to the Airport.

Visiting Corporate Personnel - In addition to the above customer service quality control programs, visiting corporate, regional and field personnel observe, monitor and document the standards of performance relating to customer service. This includes appearances, attitude and professional demeanor when dealing with patrons. We like to catch our associates in the act of performing well so we can positively reinforce their behavior and can recognize and reward them. By the same token, poor performance is addressed, and the offending employee is counseled and closely monitored to ensure standards of performance are met. Written reports to the Regional Manager are generated; copies are distributed to appropriate field personnel and the Chief Operating Officer. The Regional Manager follows up to ensure that deficiencies have been corrected.

10/8/2018 Client View

EVALUATION # 6109103

REPUBLIC PARKING SYSTEM

07-14-2018
Survey: Airport: Parking Area Evaluation
146-01
Pasco (Tri Cities Airport)
3601 N. 20th Avenue
Pasco WA 99301 US

Location: Pasco (Tri Cities Airport)
District: Danyluk
Ed Danyluk
Region: Leach
Graham Leach
Corporate: Linehart
Bob Linehart
Division: Airport
Bob Linehart

SUBMIT CHANGE REQUESTS
Add

VIEW CHANGE REQUESTS

Clone | PDF | Email

YOUR SCORE

100%
40/40 points

LOCATION VS COMPANY YTD

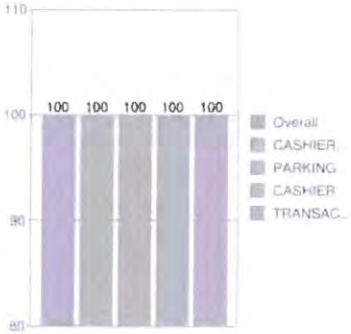
97%
YTD Average

94%
YTD Average

SECTIONAL CHANGE

Section	This Evaluation	Last Evaluation	+/-
[illegible]	100%	100%	-- +0%
CASHIER AREA	100%	100%	-- +0%
PARKING AREA	100%	100%	-- +0%
CASHIER	100%	100%	-- +0%
TRANSACTION	100%	100%	-- +0%

SECTIONAL SCORES



QUESTION	SCORE	ANSWER
GENERAL INFORMATION		
Date shop performed		7/14/2018
Day shop performed:		Saturday
Time entered:		7:09 AM
Time exited:		7:51 AM
Ticket Number:		**89700**

RECEIPT UPLOAD:

https://insite.intelli-shop.com/clients/ClientShopView.php?JobID=6109103&access=0b2927fcfe&qset=&LangPrefOverride= 1/4

2. Were the entrance and exit gate arms in the closed position when not being used?	1/1	Yes
3. Were any vehicles parked in areas not specifically designated as parking spaces?		No
4. Were the gates, ticket dispensers and other equipment in working order? (This includes any entrance and exit you may not have used.)	1/1	Yes
5. Were the parking lot prices displayed and visible?	1/1	Yes

"PARKING AREA" COMMENTS:

Driving into the airport there are only parking areas: long term and short term. Both locations are clearly marked for entrance and prices are easy to see at each entrance. The lot itself was redone with the recent remodel of the airport, all parking stalls are clear and easy to find. There is a large handicap area near the exit to the main terminal.

CASHIER 100% (3/3)

1. Was the cashier's uniform clean and neat?	1/1	Yes
2. Was the cashier well groomed?	1/1	Yes
3. Did the cashier have a name tag/plate?	1/1	Yes, the cashier has a name tag/plate that was easy to read.
3a. Cashier's Name:		**Diane**
3b. Cashier's Description: (Gender, race, age, hair color, etc.)		**Female/Caucasian/grey hair/glasses/mid 60.**

"CASHIER" COMMENTS:

The lone cashier welcomed me when I entered the pay out area. The associate was neat in her uniform.

TRANSACTION 100% (30/30)

1. Did the cashier greet you in a friendly manner?	3/3	Yes, I was greeted enthusiastically (smile, full attention).
2. Did the cashier verbally specify the amount you owed?	5/5	Yes, he/she verbally specified the amount I owed.
3. Did the cashier count your change out loud?	1/1	Yes
4. Did the cashier use the fee computer/register?	5/5	Yes, I saw him/her use a computer/register.
5. Was the fee indicator visible?	5/5	Yes, it was visible and listed the amount due.
6. Did the price the cashier quoted match the price on the fee indicator?	5/5	Yes
7. Did the cashier offer you a receipt?	3/3	Yes
8. Did the cashier thank you or offer a closing remark (e.g. "Have a nice day.")?	3/3	Yes, the cashier offered a sincere parting.
9. Description of your cashier's personality:		Truly Exceptional: usually engaged and enthusiastic; someone who sounds like he/she really loves his/her job and dealing with people
Total cash given to cashier:		$5.00
Change received from cashier:		$3.00
Total amount spent:		$2.00

"TRANSACTION" COMMENTS:

The transaction was fast and efficient. I got a receipt and my change counted back to me. I was warmly thanked for the visit.

1. Were there cars ahead of you in line?	No
2. How long was your interaction (from the time you pulled up to the cashier to the time you drove away from the cashier)?	01:02 min:sec

Marketing Plan

Republic has a dedicated marketing team responsible for helping us connect with consumers. From onsite to online, our marketing programs and e-commerce initiatives have always been industry leading. With the addition of our digital marketing team two years ago, we now have one of the most robust social media presences in the industry. This, when combined with our traditional marketing, editing, and design group, helps us continually breaking new ground on how we engage both our current and prospective customers.

Our in–house marketing team also conceives, creates, and produces consumer–focused marketing materials to promote our parking facilities and to help drive transient and monthly parking sales. Our seasoned team is comprised of copywriting and graphic design talent and is led by a marketing specialist with more than 10 years of industry experience. Together, they produce well–designed, professional, and concise marketing pieces for Republic–managed facilities across the continent.

We offer a wide range of turnkey marketing services, including:

- Targeted advertising campaigns (digital screen and print).
- Transient and monthly parking marketing collateral.
- Special offer and promotional pieces.
- Brochures and fliers.
- Specialized signage.
- Miscellaneous/one–off design, copywriting, and project management services.

In addition to the above, Republic's marketing team oversees the deployment of our corporate brand and our parent company, Impark. In a market that exposes consumers to an average of 10,000 brand messages a day, it is more crucial than ever to provide consumers with a clear, succinct, and well–considered brand message that cuts through competitor noise. By closely monitoring the use of our brand and sub–brands, the marketing team ensures that your parking facilities are promoted in a uniform, recognizable, and aesthetically appealing manner.

Advertising Campaigns

Republic's creative and innovative marketing programs have been designed and tested with one end result in mind: to maximize revenue-generation opportunities. We aggressively market our parking facilities through the diverse relationships we enjoy with user groups in the cities we operate.

Advertising through various online channels, including Twitter, Facebook, Craigslist, Parkopedia, etc., are all excellent ways to publicize the Memphis International Airport's parking operations, especially for targeting an audience that would benefit from parking in a facility that offers easy access to the airport.

Print Marketing

Our in–house marketing team conceives, creates, and produces consumer–focused marketing materials to promote our parking facilities and to help drive transient and monthly parking sales. Our seasoned team is comprised of copywriting and graphic design talent and is led by a marketing specialist with more than 10 years of industry experience. Together, they produce well–designed, professional, and concise marketing pieces for Republic–managed facilities across the continent.

We offer a wide range of turnkey marketing services, including:

- Targeted advertising campaigns (digital screen and print).
- Transient and monthly parking marketing collateral.
- Special offer and promotional pieces.
- Brochures and fliers.
- Specialized sign wraps.
- Miscellaneous/one-off design, copywriting, and project management services.

In addition to the above, Republic's marketing team oversees the deployment of our corporate brand and our respective sub-brands. In a market that exposes consumers to an average of 10,000 brand messages a day, it is more crucial than ever to provide consumers with a clear, succinct, and well–considered brand message that cuts through competitor noise.

By closely monitoring the use of our brand and sub–brands, the marketing team ensures that your parking facilities are promoted in a uniform, recognizable, and aesthetically appealing manner.

Digital Marketing

Republic has a dedicated four-person digital marketing team responsible for helping us connect with consumers online and encouraging customer engagement from trip planning through to arrival at their ultimate destination.

Using our strong social media presence, combined with tailored microsites and online marketing campaigns, our goal is to reach customers before they begin their trip to influence their buying habits early in the decision-making process.

Republic's digital marketing team provides our clients with additional customer-focused specialty in localized marketing campaigns to help drive parkers into your facility. Together, the team creates content that's optimized to be searched for and found by parking customers, with the right information to inspire transaction of daily, monthly, and event parking, where applicable.

Our digital marketing strategy is centered on two principles to convert users into parking customers:

1. **Be found** in user searches:
   - Maximize online exposure of Republic properties and influence user behaviour.

APPENDIX A

2016 Financials

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES

COMBINED FINANCIAL REPORT

DECEMBER 31, 2016

Suite 1440 Republic Centre
633 Chestnut Street
Chattanooga, TN 37450-1440
Telephone (423) 267-4400
Facsimile (423) 266-2444

NEAL, SCOUTEN & McCONNELL, P.C.
Certified Public Accountants

Report of Independent Certified Public Accountants

on the Financial Statements

To The Member
Republic Parking System, LLC and Affiliates

We have audited the accompanying combined financial statements of Republic Parking System, LLC and Affiliates, which comprise the combined balance sheet as of December 31, 2016, and the related combined statements of income, member's equity, and cash flows for the nine months then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
COMBINED BALANCE SHEET
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 12,845
Notes and Accounts Receivable	9,993
Prepaid Expenses	2,057
Other	143
Total Current Assets	25,038
PROPERTY AND EQUIPMENT	
Equipment	1,861
Leasehold Improvements	2,517
Automobiles	564
Furniture and Fixtures	106
Building and Structure	12,902
Land	3,099
	21,049
Accumulated Depreciation	(1,497)
Property and Equipment, net	19,552
OTHER ASSETS	
Goodwill	36,829
Other Intangible Assets, net	65,548
Notes and Accounts Receivable	1,496
Note Receivable from Related Party	3,500
Other	124
Total Other Assets	107,497
TOTAL ASSETS	$ 152,087

Amounts in thousands of dollars, unless otherwise indicated.

The accompanying footnotes are an integral part of these financial statements.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
COMBINED STATEMENT OF INCOME
NINE MONTHS ENDED DECEMBER 31, 2016

REVENUES	
Net Parking Services	$ 68,917
Management Contracts	20,691
	89,608
Reimbursed Management Fees	80,138
Interest Income	216
Other	6,616
Net Revenues	176,578
COSTS AND EXPENSES	
Reimbursed Management Fees	80,138
Leases	52,637
Salaries and Wages	20,940
Depreciation and Amortization	6,959
Interest	73
Other Operating Expenses	12,665
General and Administrative	1,562
Total Costs and Expenses	174,974
INCOME BEFORE STATE INCOME TAXES	1,604
State Income Tax Expense	233
NET INCOME	$ 1,371

Amounts in thousands of dollars, unless otherwise indicated.

The accompanying footnotes are an integral part of these financial statements.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED DECEMBER 31, 2016

CASH FLOW FROM OPERATING ACTIVITIES	
Net Income	$ 1,371
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:	
Depreciation	1,643
Amortization	5,317
Loss on Disposal of Assets	58
Gain on Interest-rate Swap	(459)
State Income Tax Expense	233
Other	135
(Increase) Decrease in Operating Assets:	
Notes and Accounts Receivable	2,649
Other Assets	(613)
Decrease in Operating Liabilities:	
Accounts Payable	(1,855)
Accrued Expenses	(2,411)
Deferred Revenue	(214)
Net Cash Provided By Operating Activities	5,854
CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(367)
Proceeds from Disposals of Property and Equipment	35
Payment for Contract Costs	(748)
Advance to Related Party	(3,500)
Net Cash Used in Investing Activities	(4,580)
CASH FLOW FROM FINANCING ACTIVITIES	
Distributions to Member	(700)
Payments on Note	(1,907)
Advances from Related Party	1,770
Net Cash Used in Financing Activities	(837)
Increase in Cash and Cash Equivalents	437
Cash and Cash Equivalents, April 1, 2016	12,408
Cash and Cash Equivalents, December 31, 2016	$ 12,845

Amounts in thousands of dollars, unless otherwise indicated.

The accompanying footnotes are an integral part of these financial statements.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes and Accounts Receivable

Notes and accounts receivable consists of amounts owed to the Company under terms of its management contracts. Such amounts include management fees earned but not received and reimbursements for property improvements and equipment purchases. Reimbursements for improvements and equipment are normally received ratably over the life of lease. Management generally considers receivables greater than 180 days outstanding to be past due.

As of December 31, 2016, the Company did not maintain an allowance for doubtful accounts, as management does not believe that any of its accounts receivable are uncollectible. The Company would record an allowance for doubtful accounts only for estimated losses which would result from the failure of customers to make required payments. In determining whether to record an allowance for doubtful accounts, the Company's management reviews specifically identified accounts in addition to an overall aging schedule. Judgments are made with respect to the collectability of accounts receivable based on historical experience and a current analysis of the customer. The Company does not charge interest on past due trade accounts.

Prepaid Expenses

Prepaid expenses consist of various costs incurred that will be recognized as expenses in future periods. Prepaid project costs are improvements paid for various customer lots that have not yet been placed into service. These costs will convert to property and equipment, notes receivable, or contract costs upon being placed into service. Other prepaid expenses consist of insurance, equipment, professional fees, various taxes and licenses, service agreements, rent, and other.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Expenditures for major renewals and betterments are capitalized while expenditures for repairs and maintenance not considered to substantially lengthen the life of the property and equipment are expensed as incurred.

When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in net income. Equipment, computer software, automobiles and trucks, furniture and fixtures, and

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

Under accounting principles generally accepted in the United States of America, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the Company's fair value is greater than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, there is no need to perform any further testing. However, if the Company concludes otherwise, then it is required to perform the first step of a two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill is less than the carrying values of the Company's assets and liabilities.

The carrying value of the Company's goodwill is $36,829.

Other Intangible Assets

Costs of contracts, which are amortized on a straight-line basis over the estimated life of the contracts, represent the costs of obtaining contractual rights associated with providing parking services at a managed or leased location. The estimated useful lives of these contracts are approximately 10 years. The carrying value of the Company's costs of contracts is $681.

Imperial Parking, as part of its acquisition of the Company, also purchased certain other intangible assets, including intellectual property, customer relationships and management and lease agreements. These intangible assets are amortized on a straight-line basis over the useful lives, which is estimated to be approximately 10 years. The carrying value of these intangible assets is $64,867.

Insurance Reserves

The Company self-insures a portion of its expected losses under its employee health care benefits, workers' compensation, general liability, and property and casualty insurance programs. The Company has stop loss insurance for individual claims in excess of stated loss amounts. Insurance reserves represent amounts that have been provided for estimated losses resulting from the uninsured portion of pending insurance claims, plus an estimate for incurred but not reported insurance claims. Claims for these reserves are expected to be incurred in the subsequent years.

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Prior to the Company's acquisition by Imperial Parking, the Company was taxed under provisions of Subchapter S of the Internal Revenue Code. Effective April 1, 2016, which was the effective date of the acquisition by Imperial Parking, the Company elected to be taxed as a Limited Liability Company. Under those provisions, the Company does not pay federal income taxes on its taxable income. Rather, Imperial Parking, as 100% owner of Republic Parking System, LLC, is liable for federal income taxes on its corporate income tax return related to its ownership of Republic Parking System, LLC. Accordingly, the Company financial statements do not reflect any federal income taxes, while state income taxes have been recorded related to the Company's income. The company did not make any state income tax payments during the nine months ended December 31, 2016.

FASB ASC Section 740, *Income Taxes*, requires entities to disclose known or anticipated positions of income tax uncertainty. The Company is not aware of any material uncertain income tax positions.

Marketing and Advertising

The Company expenses marketing and advertising costs as they are incurred. Total advertising expense for the nine months ended December 31, 2016, was $37.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In the opinion of management, all adjustments necessary to prevent the financial statement from being misleading have been included. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current environment. Actual results could differ from those estimates.

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 3 – LEASE OBLIGATIONS

Lease expense related to operating leases is recognized on a straight-line basis over the initial term of the related leases. Certain operating leases require the Company to pay additional rent if parking lot revenues exceed the guaranteed minimums per the contract. The Company recognizes this additional rent expense when such specified amounts are attained.

The Company leases certain parking facilities under long-term, non-cancelable operating lease agreements with the owners of the properties. Lease agreements provide for minimum payments, contingent payments based upon percentage of revenues or a combination of both. Additionally, certain locations require the Company to pay real estate taxes and other occupancy expenses. These leases expire at various dates through 2027 and certain leases provide for options to renew for subsequent lease periods.

Aggregate future minimum lease payment obligations under operating leases currently in effect, are as follows:

2017	$ 26,337
2018	23,115
2019	19,800
2020	18,773
2021	14,330
Thereafter	44,533

The above estimated obligations include lease renewals which are likely to be exercised.

Under certain terms of these lease agreements, the Company is required to have certain specified bonding. During the nine months ended December 31, 2016, the Company incurred operating expenses related to these bonds of $72.

In connection with obtaining certain contracts to lease and manage parking facilities, the Company periodically agrees to make improvements to the properties during the contract period. As improvements are made, those amounts are included in leasehold improvements and depreciated on a straight-line basis over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 6 – OTHER INTANGIBLE ASSETS

Other Intangible Assets consist of the following:

	Basis	Accumulated Amortization	Net
Cost of Contracts	$ 748	$ (67)	$ 681
Management Agreements	65,584	(4,918)	60,666
Intellectual Property - Municipal Citation Solutions, LLC	1,998	(150)	1,848
Software Rights - Municipal Citation Solutions, LLC	2,317	(174)	2,143
Other Intangible Assets - Republic Gulfport, LLC	218	(8)	210
	$ 70,865	$ (5,317)	$ 65,548

Amortization expense for the nine months ended December 31, 2016, was $5,317, of which $57 was recorded in other operating expenses and $10 was recorded in general and administrative expenses.

NOTE 7 – NOTE PAYABLE

Republic Gulfport, LLC carries a non-recourse note payable at a floating interest rate based on the 30-day LIBOR plus 1.60%. This LIBOR index changes monthly, and the note matures in March 2019. The Company has an interest-rate swap which effectively converts this floating-rate note to a fixed rate of 5.43%. This interest-rate swap expires in January 2024.

The Company has agreed to maintain a Borrower Debt Service Coverage Ratio of not less than 1.20 to 1.0. This ratio is calculated as (i) net income plus depreciation and amortization expense plus interest expense plus minimum operating lease payment; to (ii) interest expense plus the required principal payments due during the period covered under any indebtedness for borrowed money of the Company plus the minimum operating lease payment and plus any withdrawal/cash distributions (dividends) to the Company's owners. This financial covenant is tested annually, as required under the terms of the debt agreement. The Company was in compliance with this covenant at December 31, 2016. The Member of Republic Parking System, LLC has guaranteed the note payable.

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 9 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon its own market assumptions. Applicable accounting literature defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable and market-corroborated inputs, which are derived principally from or corroborated by observable market data;
- Level 3: Inputs that are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The Company's financial assets and liabilities consist principally of cash and cash equivalents, notes and accounts receivable, accounts payable, a note payable, advances from related party, and an interest-rate swap. The estimated fair values of cash and cash equivalents, notes and accounts receivable, accounts payable and advances from related party approximate the carrying values. These financial instruments are classified as Level 1 on the fair value hierarchy. The estimated fair value of the Company's note payable approximates the carrying value because the interest rate on this debt is a floating-rate note which adjusts to market rates on a periodic basis.

The Company's measures and records its interest-rate swap at fair value on a recurring basis, with changes in fair value recorded as part of interest expense. The interest-rate swap's fair value measurement is calculated from a floating rate of interest, which is based on the 30-day LIBOR plus 1.60%. This financial instrument is classified as Level 2 input on the fair value hierarchy.

Certain assets are measured at fair value on a nonrecurring basis; that is, the assets are measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. Non-financial assets such as property and equipment, goodwill, and other intangible assets are subsequently measured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment is recognized. The Company assesses the impairment of goodwill annually or whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable.

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 12 – RISK MANAGEMENT (CONTINUED)

The Company utilizes a third-party administrator to review and process claims and payments. At December 31, 2016, the Company maintained two letters of credit totaling $3,125 for the benefit of its third-party administrator as security for future payment of such claims. At December 31, 2016, no amount had been drawn on these letters of credit.

A certain management contract requires the Company to maintain a letter of credit in the amount of $150 in the event the Company defaults on its management obligations. At December 31, 2016, no amount had been drawn on this letter of credit.

NOTE 13 – CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, notes and accounts receivable, and its derivative instrument.

The Company maintains cash accounts at various financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to $250. The bank accounts, at times, may exceed federally insured limits. However, the Company has not experienced any losses on such accounts and management believes the Company is not exposed to any significant credit risk on these accounts.

The Company also performs ongoing credit evaluations of its customers to help further reduce credit risk. Significant changes in customer concentration or payment experience, deterioration of customer creditworthiness or weakening in economic trends could have a significant impact on the collectability of the Company's receivables and its operating results. If the financial condition of the Company's customers were to deteriorate and result in an impairment of their ability to make payments, the Company would be required to record an allowance for doubtful accounts.

As the result of the Company's use of a derivative instrument, the Company is exposed to counter party credit risk. The Company manages this risk by limiting its counterparty to a large financial institution which meets the Company's credit rating standards and has an established banking relationship with the Company. The Company does not expect any losses as a result of default from its banking counterparty.

Amounts in thousands of dollars, unless otherwise indicated.

REPUBLIC PARKING SYSTEM, LLC
AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 15 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (CONTINUED)

beginning after December 15, 2018. ASU 2014-09 can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company is currently evaluating the impact of adopting ASU 2014-09 on its combined financial statements and notes to its combined financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). The ASU requires lessees to put most leases on their balance sheets as a liability for the obligation to make lease payments and as a right-of-use asset, but recognize expenses on the income statements in a manner similar to today's accounting. The guidance also eliminates the current real estate-specific provisions for all entities. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for all entities. The Company has not chosen early adoption for this ASU and is currently evaluating its effect on the Company's combined financial statements and notes to the combined financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-08, *Revenue Recognition: Clarifying the new Revenue Standard's Principal-Versus-Agent Guidance* ("ASU 2016-18"). The standard amends the principal-versus-agent implementation guidance and illustrations in the FASB's new revenue standard (ASU 2014-09). ASU 2016-08 clarifies that an entity should evaluate whether it is the principal or the agent for each specified good or service promised in a contract with a customer. As defined in the ASU, a specified good or service is "a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer". Therefore, for contracts involving more than one specified good or service, the Company may be the principal in one or more specified goods or services and the agent for others. The new standard has the same effective date as ASU 2014-09, as amended by the one-year deferral and early adoption provisions in ASU 2015-14. In addition, entities are required to adopt ASU 2016-08 by using the same transition method they used to adopt the new revenue standard. The Company is currently evaluating the impact that the adoption of this new accounting guidance will have on its combined financial statements and notes to the combined financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Payments* ("ASU 2016-15"), which provides clarification regarding how certain cash receipts and cash payments should be presented and classified in the statement of cash flows. The guidance addresses eight specific cash flow issues with the objective to reduce diversity in practice of how certain transactions are classified within the statement of cash flows. ASU 2016-15 is effective for annual periods beginning after December 15, 2018. Early application is permitted. The Company does not believe the adoption of this guidance will have a material impact on its combined financial statements.

Amounts in thousands of dollars, unless otherwise indicated.

2017 Financials

Combined financial statements of Republic Parking System, LLC and Affiliates

December 31, 2017

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Independent Auditor's Report

To the Board of Directors of
Republic Parking System, LLC and Affiliates

We have audited the accompanying combined financial statements of Republic Parking System, LLC and Affiliates, which comprise the combined balance sheet as at December 31, 2017, the combined statement of income, combined statement of members' equity and combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with United States Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters
The combined balance sheet as at December 31, 2016 and the combined statements of income, member's equity and cash flows for the nine months then ended, which have been shown for comparative purposes, were reported on by another firm of Certified Public Accountants who issued an unqualified opinion dated March 3, 2017.

Member of Deloitte Touche Tohmatsu Limited

Republic Parking System, LLC and Affiliates

Combined balance sheets

As at December 31, 2017

		2017	2016
		$	$
Assets			
Current assets			
Cash		**10,216**	12,845
Notes and accounts receivable	5	**15,557**	9,993
Prepaid expenses and other assets	6	**2,879**	2,200
Due from related party	13	**—**	3,500
Total current assets		**28,652**	28,538
Non-current assets			
Notes and accounts receivable	5	**2,365**	1,496
Deferred tax asset		**815**	—
Property and equipment, net	7	**19,114**	19,552
Other intangible assets, net	3,8	**58,662**	65,548
Other assets		**108**	124
Goodwill	3	**36,829**	36,829
Total non-current assets		**117,893**	123,549
Total assets		**146,545**	152,087
Liabilities			
Current liabilities			
Current maturities of note payable	9	**—**	243
Accounts payable		**7,214**	6,194
Accrued expenses	10	**16,481**	14,819
Deferred revenue		**1,176**	1,211
Due to related party	13	**1,855**	1,770
Total current liabilities		**26,726**	24,237
Non-current liabilities			
Deposits		**583**	540
Note payable, less current maturities	9	**—**	7,467
Interest-rate swap	9	**—**	867
Total non-current liabilities		**583**	8,874
Total liabilities		**27,309**	33,111
Commitments and contingencies	17		
Member's equity			
Member's contributions		**118,305**	118,305
Retained earnings		**931**	671
Total member's equity		**119,236**	118,976
Total liabilities and member's equity		**146,545**	152,087

The accompanying notes are an integral part of these combined financial statements.

Republic Parking System, LLC and Affiliates

Combined statement of member's equity

Year ended December 31, 2017

(In thousands of dollars, unless otherwise indicated)

		Member's contributions	Retained earnings	Total member's equity
		$	$	$
Balance, April 1, 2016	3	118,305	—	118,305
Net income		—	1,371	1,371
Distributions to member		—	(700)	(700)
Balance, December 31, 2016		118,305	671	118,976
Net income		—	1,260	1,260
Distributions to member		—	(1,000)	(1,000)
Balance, December 31, 2017		**118,305**	**931**	**119,236**

The accompanying notes are an integral part of these combined financial statements.

Republic Parking System, LLC and Affiliates
Notes to the combined financial statements
December 31, 2017
(in thousands of dollars, unless otherwise indicated)

1. Summary of significant accounting policies

Nature of operations

Republic Parking System, LLC, Republic Parking Northwest, LLC, Republic Gulfport, LLC, and Municipal Citation Solutions, LLC, (hereafter referred to as the "Company"), manages and operates Company-owned and leased parking facilities and manages and operates parking facilities owned or leased by other parties. Its services consist of training, scheduling, and supervising all service personnel and providing its clients with customer service, marketing, maintenance, security, and administrative functions, including accounting and revenue control necessary to facilitate the operation of the clients' parking facilities. The Company also provides transportation support services such as airport and municipal shuttle operations and valet parking services. As at December 31, 2017, the Company employed approximately 2,600 people.

Principles of combination and basis of presentation

The combined financial statements include the accounts of Republic Parking System, LLC, Republic Parking Northwest, LLC, Republic Gulfport, LLC, and Municipal Citation Solutions, LLC. All significant intercompany profits, transactions and balances were eliminated in the combination. The Company's functional currency is U.S. Dollar.

Effective April 1, 2016, 100% of the Company was acquired by Imperial Parking U.S. LLC ("Imperial Parking") for $118 million. See Note 3 for details on this acquisition. Accordingly, the accompanying combined financial statements reflect operations of the Company for the year ended December 31, 2017 and for the nine-month period from the effective date of acquisition, April 1, 2016, to December 31, 2016.

Basis of accounting

The accompanying combined financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Company elected to apply pushdown accounting, which uses Imperial Parking's basis in the preparation of the Company's stand-alone financial statements. Therefore, in the preparation of the prior year financial statements, management applied "pushdown" accounting, based on guidance in ASC 805 – Business Combinations. Pushdown accounting refers to the use of the acquiring entity's basis of accounting in the preparation of the acquired entity's financial statements. Refer to Note 3 for a description of the impact of the acquisition on the prior year financial statements.

1. Summary of significant accounting policies (continued)

Long-lived assets

The Company periodically evaluates the carrying value of long-lived assets and finite lived intangible assets to be held and used whenever events or changes in circumstances indicate that the carrying amount of the long-lived assets or finite lived intangible assets may not be recoverable. The carrying value of long-lived assets is considered impaired when the projected undiscounted future cash flows of such assets are less than the carrying values. The Company did not record impairment of any of its fixed assets during the nine months ended December 31, 2016 or the year ended December 31, 2017.

Goodwill

The difference between the purchase price Imperial Parking paid to acquire the Company and the fair values of the Company's separately identifiable assets and liabilities has been recorded as goodwill. Goodwill is not amortized but is tested for impairment at least annually or whenever an event, or change in circumstances, indicate that an impairment may have occurred. If goodwill is not impaired, it will remain a Company asset. If goodwill is impaired, the Company will write down the asset to its fair value.

Under accounting principles generally accepted in the United States of America, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the Company's fair value is greater than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, there is no need to perform any further testing. However, if the Company concludes otherwise, then it is required to perform the first step of a two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill is less than the carrying values of the Company's assets and liabilities.

Other intangible assets

Costs of contracts, which are amortized on a straight-line basis over the estimated lives of the contracts, represent the costs of obtaining contractual rights associated with providing parking services at a managed or leased location.

Imperial Parking, as part of its acquisition of the Company, also purchased certain other intangible assets, including intellectual property, customer relationships and management agreements and software rights. These intangible assets are amortized on a straight-line basis over the useful lives, which is estimated to be approximately 10 years.

1. Summary of significant accounting policies (continued)

Income taxes

Effective April 1, 2016, which was the effective date of the acquisition by Imperial Parking, the Company elected to be taxed as a Limited Liability Company. Under those provisions, the Company does not pay federal income taxes on its taxable income. Rather, Imperial Parking, as 100% owner of the Company, is liable for federal income taxes on its corporate income tax return related to its ownership of the Company. Accordingly, the Company's financial statements do not reflect any federal income taxes. The Company did not make any income tax payments during the nine months ended December 31, 2016 and year ended December 31, 2017.

The 2017 deferred tax asset of $815 reflects certain temporary differences, including differences between the tax and GAAP bases for management agreements, certain acquisition costs, goodwill, and property and equipment. Income tax recoveries of $282 for the year ended December 31, 2017 consisted of deferred income tax recoveries of $815, partially offset by current income tax expense of $533. Income tax expense of $233 for the nine months ended December 31, 2016 was reported as current.

FASB ASC Section 740, *Income Taxes*, requires entities to disclose known or anticipated positions of income tax uncertainty. The Company is not aware of any material uncertain income tax positions.

Fair value of financial instruments

In determining fair value, the Company uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. Applicable accounting literature establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is based on observable or unobservable inputs to valuation techniques that are used to measure fair value. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon its own market assumptions. Applicable accounting literature defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable and market-corroborated inputs, which are derived principally from or corroborated by observable market data;

Level 3 – Inputs that are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

Reference Note 12 for additional information on the Company's fair value of financial instruments.

3. Imperial parking acquisition

On April 8, 2016, 100% of the Company was acquired by Imperial Parking for $118 million. The sale was effective April 1, 2016. Imperial Parking is registered in Delaware and is a wholly-owned subsidiary of its ultimate parent Company, OTPP Parking LLC. Imperial Parking operates and manages parking facilities in Canada and the United States and carries on other parking related activities.

The Company elected to apply pushdown accounting, which uses Imperial Parking's basis of accounting in the preparation of the Company's stand-alone financial statements. The following were the amounts recognized by the Company as a result of the acquisition for each major class of assets and liabilities:

	Pre-acquisition	Acquisition	Post-acquisition
	$	$	$
Current assets	26,901	(627)	26,274
Other assets			
Property and equipment	22,737	(1,820)	20,917
Goodwill	—	36,829	36,829
Acquired intangible assets	—	70,117	70,117
Other	2,755	(772)	1,983
	52,393	103,727	156,120
Current liabilities	25,107	(28)	25,079
Other liabilities	14,902	(2,166)	12,736
Member's equity	12,284	105,921	118,305
	52,293	103,727	156,120

Goodwill represents the excess of the consideration paid by Imperial Parking over the fair value assigned to the net assets acquired and liabilities assumed in the acquisition of the Company.

During 2017, the Company revised its estimates of certain reserves which had been recorded as at the April 1, 2016 acquisition date. As the revision was beyond the one-year adjustment date the Company recognized a $2.5 million expense in 2017, which is reported as "Post-acquisition estimate revisions" on the combined statement of income. Included within this charge is an undiscounted $0.5 million environmental remediation expense.

5. Notes and accounts receivable

The composition of notes and accounts receivable is as follows as at December 31, 2017 and 2016:

	2017	2016
	$	$
Management fees and trade receivables	**14,984**	9,440
Contract notes receivable	**2,938**	2,049
Total notes and account receivable	**17,922**	11,489
Less: current portion	**(15,557)**	(9,993)
Non-current portion	**2,365**	1,496

6. Prepaid expenses and other assets

Prepaid expenses and other assets are as follows as at December 31, 2017 and 2016:

	2017	2016
	$	$
Prepaid expenses	**2,839**	2,057
Other assets	**40**	143
Total prepaid expenses and other assets	**2,879**	2,200

7. Property and equipment

Property and equipment consisted of the following as at December 31, 2017 and 2016:

	2017	2016
	$	$
Equipment	**2,738**	1,861
Leasehold improvements	**2,413**	2,517
Automobiles	**1,067**	564
Furniture and fixtures	**94**	106
Building and structure	**12,902**	12,902
Land	**3,099**	3,099
	22,313	21,049
Accumulated depreciation	**(3,199)**	(1,497)
Property and equipment, net	**19,114**	19,552

In connection with obtaining certain contracts to lease and manage parking facilities, the Company periodically agrees to make improvements to the properties during the contract period. As improvements are made, those amounts are included in leasehold improvements and depreciated on a straight-line basis over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Depreciation expense was $1,851 and $1,643 for the year ended December 31, 2017 and nine months ended December 31, 2016, respectively.

10. Accrued expenses

Accrued expenses are as follows as at December 31, 2017 and 2016:

	2017	2016
	$	$
Rent	**6,166**	6,079
Insurance	**3,461**	1,848
Payroll and benefits	**2,731**	2,882
Other	**1,448**	1,097
Sales taxes	**1,354**	1,297
Commissions	**829**	765
Other taxes and licenses	**492**	851
	16,481	14,819

11. Parking services revenue

Gross parking services revenues are revenues earned by both the Company and its landlord customers. The Company does not record the landlord's share of parking service revenue in its combined statement of income.

The following outlines the gross parking services revenues and the landlords' share of parking services revenues for the year ended December 31, 2017 and nine months ended December 31, 2016:

	2017	2016 (9 months)
	$	$
Gross parking services revenue	**493,698**	335,402
Landlords' share of parking services revenues	**(395,547)**	(266,485)
Parking services revenues	**98,151**	68,917

12. Fair value of financial instruments

The Company's financial assets and liabilities consist principally of cash and cash equivalents, notes and accounts receivable, accounts payable, and an interest-rate swap. The estimated fair values of cash, notes and accounts receivable, accounts payable and due to related party approximate the carrying values due to their short-term nature. These financial instruments are classified as Level 1 on the fair value hierarchy.

The Company's measured and recorded its interest-rate swap at fair value on a recurring basis, with changes in fair value recorded as part of interest expense. The interest-rate swap's fair value measurement was calculated from a floating rate of interest, which was based on the 30-day LIBOR plus 1.60%. This financial instrument was classified as Level 2 input on the fair value hierarchy.

15. Risk management (continued)

The Company utilizes a third-party administrator to review and process claims and payments. At December 31, 2017 and December 31, 2016, the Company maintained two letters of credit totaling $3,126 for the benefit of its third-party administrator as security for future payment of such claims. The Company maintains an additional letter of credit totaling $150 as required by one of our customers. At December 31, 2017 and 2016, no amount had been drawn on these letters of credit.

One of the Company's contracts requires the Company to maintain a letter of credit in the amount of $150 in the event the Company defaults on its management obligations. At December 31, 2017 and 2016, no amount had been drawn on this letter of credit.

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Company manages liquidity risk by monitoring forecasted and actual cash flows, minimizing reliance on any single source of credit, and maintaining sufficient undrawn committed credit facilities.

16. Concentration of credit risk

Credit risk refers to the risk of losses due to failure of the Company's customers or other counterparties to meet their contractual obligations. The Company is exposed to credit risk in the event of non-performance by counter parties to its financial instruments but does not anticipate non-performance of any of the counter parties as the Company only deals with highly rated financial institutions.

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, notes and accounts receivable, and its derivative instrument, which was terminated in June 2017.

The Company maintains cash accounts at various financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to $250. The bank accounts, at times, may exceed federally insured limits. However, the Company has not experienced any losses on such accounts and management believes the Company is not exposed to any significant credit risk on these accounts.

Significant changes in customer concentration or payment experience, deterioration of customer creditworthiness or weakening in economic trends could have a significant impact on the collectability of the Company's receivables and its operating results. If the financial condition of the Company's customers were to deteriorate and result in an impairment of their ability to make payments, the Company would be required to record an allowance for doubtful accounts.