

**LOS ANGELES INTERNATIONAL AIRPORT
TERMINAL MEDIA OPERATOR
CONCESSION AGREEMENT**

By and between

THE CITY OF LOS ANGELES,
DEPARTMENT OF AIRPORTS

and

JCDECAUX AIRPORT, INC.

Dated January , 2014

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- First Agreement Year

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- First Agreement Year

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- First Agreement Year

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- Third Agreement Year

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- First Agreement Year
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- First Agreement Year
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- Second Agreement Year
- LAX Secret Studio
- Third Agreement Year
- LAX Twitter Fall
- First Agreement Year
- LAX World Window
- Second Agreement Year
- LAX International Call Center
- Third Agreement Year
- Airport Directory
- First Agreement Year
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- Second Agreement Year
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- Third Agreement Year

EXHIBIT V ACDBE PARTICIPATION

**LOS ANGELES INTERNATIONAL AIRPORT
TERMINAL MEDIA OPERATOR CONCESSION AGREEMENT**

THIS LOS ANGELES INTERNATIONAL AIRPORT TERMINAL MEDIA OPERATOR CONCESSION AGREEMENT, is made and entered into as of January __, 2014 by and between **THE CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS**, a municipal corporation, acting by order of and through the Board, and **JCDECAUX AIRPORT, INC.**, a Delaware corporation ("TMO"), with reference to the following Basic Information and the following Recitals.

BASIC INFORMATION

The following Basic Information contains a summary of certain information contained in this Agreement, and such Basic Information is subject to further explanation or definition elsewhere in this Agreement. The initially-capitalized terms used in this Agreement shall have the respective meanings ascribed to such terms in this Agreement, unless the context otherwise requires.

Agreement Date:	January __, 2014 (the "Effective Date")
City:	THE CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS, a municipal corporation, acting by order of and through its Board of Airport Commissioners
City's Address:	Department of Airports 1 World Way Post Office Box 92216 Los Angeles, California 90009-2216 or such other address as may be designated in a written notice from Executive Director in accordance with Section 16.5.1.
	All notices sent to City under this Agreement shall be sent to the above address, with copies to: Office of City Attorney 1 World Way Post Office Box 92216 Los Angeles, California 90009-2216 or to such other address as may be designated in a written notice from Executive Director in accordance with Section 16.5.1.
	All Fees amounts and fees payable to City or LAWA hereunder shall be made payable to:

	<p>the City of Los Angeles, Department of Airports</p> <p>and shall be wire transferred to City's bank account as designated in writing by the Executive Director or shall be mailed to:</p> <p>City of Los Angeles, Department of Airports Post Office Box 92216 Los Angeles, California 90009-2216 Re: LAX Concession Agreement No. _____</p> <p>or to such other address as may be designated in a written notice from Executive Director in accordance with Section 16.5.</p>
TMO:	JCDECAUX AIRPORT, INC.
TMO's Address:	<p>LAX TMO Team c/o JCDecaux Airport, Inc. 1150 South Olive Street Los Angeles, CA 90071 Telephone: (213) 608-0900 Facsimile: (213) 608-0901</p> <p>All notices sent to TMO under this Agreement shall be sent to the above address, with copies to:</p> <p>Bernard Parisot, President and Co-CEO JCDecaux Airport, Inc. 3 Park Avenue, 33rd Floor New York, NY 10016 Telephone: (646) 834-1300 Facsimile: (646) 514-5652 E-mail: bernard.parisot@jcdecauxna.com</p> <p>Greenberg Traurig, LLP 200 Park Avenue New York, NY 10166 Attention: Edward C. Wallace Telephone: (212) 801-9299 Facsimile: (212) 805-9299 E-mail: WallaceE@gtlaw.com</p>

	or such other addresses as may be designated in a written notice from TMO in accordance with Section 16.5.
Registered Agent:	TMO's registered agent for service of process is: C T Corporation System 818 West Seventh Street Los Angeles, California 90017 or such other Registered Agent as may be designated in a written notice from TMO in accordance with Section 16.5.
Expiration Date:	December 31, 2020, unless earlier terminated or extended as provided herein.
Investment Commitment	\$18.5 Million
Reinvestment Commitment	\$3.5 Million
Faithful Performance Guarantee:	Initially, Six Million, Five Hundred Thousand Dollars (\$6,500,000.00), as such amount may be adjusted in accordance with Section 4.11. See <u>Exhibit "S"</u> for form of LOC.
Guarantor:	JCDecaux North America, Inc. (See <u>Exhibit "D"</u> for form of Guaranty Agreement, which shall be executed by Guarantor concurrently with the execution of this Agreement by TMO.)

RECITALS

A. City is the owner of the Airport, located in the City of Los Angeles, County of Los Angeles, State of California, and operates said Airport for the promotion and accommodation of air commerce and air transportation between the City of Los Angeles and other local, national and international cities; and

B. City has issued that certain Request For Proposals – Terminal Media Operator – Tom Bradley International Terminal at Los Angeles International Airport release date September 13, 2013, as supplemented by addenda (the "RFP"); and

C. Pursuant to the RFP, TMO has been selected by City as the terminal media operator for the development and operation of certain concession locations within the Airport, all on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing Recitals (which are incorporated herein by this reference), the payment of the fees and charges hereinafter provided, the covenants and conditions hereinafter contained to be kept and performed, and other

good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

I. GRANT OF RIGHTS; DEVELOPMENT PHASE

1.1 Grant of Rights. Subject to the terms and conditions of this Agreement, the City hereby grants to TMO for the Term of this Agreement (i) the right to market Advertising and Digital Activation opportunities, the obligation to design, develop, install, construct, operate, manage and maintain in first class condition, high quality Advertising Displays, Sponsorship Activations and other Media Elements at the Display Locations set forth in the initial ADP attached to this Agreement as Exhibits "A-1" – "A-2", as modified or amended from time to time as provided in this Agreement; (ii) the right to market and enter into Media Agreements for Sponsorships, including grants of Entitlements, Exclusivity, and Marketing Designations, within the Facilities, and to enter into Media Agreements with Advertisers; (iii) the non-exclusive right and obligation to develop, install, construct, operate, manage and maintain in first class condition, high quality Emerging Media within the Facilities as provided in this Agreement; and (iv) a license to use the Licensed Area and to operate, manage, and maintain in first-class, high quality, state of the art condition the Iconic Media Structures and, to the extent of City's interests therein, to use the Foundational Content (but only at the Airport) and, to the extent of City's interests therein, to use the as-built drawings, plans and specifications provided by City to TMO pursuant to Section 1.9, but only for the purpose of the operation and maintenance of the Licensed Area and Display Locations and TMO may not use such as-built drawings, plans or specification at any location other than at the Airport; subject to and in accordance with and as provided in the terms, conditions and covenants of this Agreement and applicable Law (collectively, the "**Permitted Uses**"). TMO covenants and agrees to operate at the Airport in strict conformity with the Permitted Uses. TMO shall not use any portion of the Airport or the Facilities, including without limitation, the Display Locations and the Licensed Area for any purpose or use other than the Permitted Uses without the prior written approval of the Executive Director which may be granted, conditioned or withheld in his or her sole discretion.

1.2 Reserved Rights.

The City hereby reserves to itself the following rights:

(a) The City may install and maintain non-commercial signage and other displays at the Airport, which will be primarily for governmental, civic, cultural, artistic, educational or Airport-related purposes.

(b) The City may permit displays authorized or erected by any governmental entity for purposes of providing the general public with information relative to any of its programs, events, services or policies, including public service announcements for any governmental related matter or private not-for-profit event or program.

(c) The City may grant and has granted to other tenants at the Airport the right to display promotional materials or signage related to their business at the Airport.

(d) This Agreement is expressly subject to agreements in force as of the Effective Date between the City and all other parties operating at the Airport, including without limitation the TCM Agreement, the Duty Free Operator Agreement, the wireless provider agreement, and other food and beverage and gift concessions agreements.

(e) Subject to Section 5.1.5. hereof, the City reserves the right to permit persons other than the TMO and its agents to develop, market and operate certain Emerging Media applications that include, without limitation, Airport wayfinding, Airport amenities, other Airport data and applications that may gather data from the users of such applications and interact with such users.

1.3 TMO's Obligations During Development Phase. Commencing on the Effective Date, TMO shall be responsible for the planning, design and development of the Advertising Displays and other Media Elements in specified locations in the TBIT Facilities and the operation of the Permitted Uses within the TBIT Facilities, all as more particularly identified in this Agreement. Within fourteen (14) days after the Effective Date, TMO shall develop and submit to the Executive Director for her or his review and approval the initial Business and Operations Plan. The initial Business and Operations Plan shall include TMO's plan for developing, installing and operating Emerging Media in the TBIT Facilities.

Commencing on the Effective Date, the City hereby grants TMO the right to enter upon and to inspect and test the Licensed Area and the Iconic Media Structures, Foundational Content and other equipment located within the Licensed Area for the purposes of (1) determining whether any material defects or software viruses exist in the Licensed Area and the Iconic Media Structures, Foundational Content and other equipment or the hardware or software associated therewith and (2) training and familiarization of TMO's personnel and contractors with such Licensed Area and the Iconic Media Structures, Foundational Content and other equipment located therein. Within fourteen (14) days after the Effective Date, the TMO shall provide written notice to the City of any viruses or other material defects identified by TMO with respect to the Licensed Area or the Iconic Media Structures, Foundational Content and other equipment, hardware and software associated therewith. If TMO does not provide any such notice to the City within such fourteen (14) day period, TMO shall conclusively be deemed to have accepted the Licensed Area, including the Iconic Media Structures, Foundational Content and other equipment, hardware and software associated therewith, as is. If TMO provides such notice within such fourteen (14) day period, then the City shall work with TMO to remedy the identified defects and, if such defects cannot be remedied within an additional fourteen (14) day period, then TMO may accept the Licensed Area and the Iconic Media Structures, Foundational Content and other equipment, hardware and software associated therewith in its then current condition. If TMO does not accept the Licensed Area and the Iconic Media Structures, Foundational Content and other equipment, hardware and software associated therewith in its then current condition, then the City may, in its sole discretion, by written notice to TMO, elect to (a) reduce the Sponsorship element of the Agreement Year MAG, or (b) delete all rights of TMO in the Licensed Area under this Agreement from this Agreement and retender the concession opportunity with respect to the Licensed Area (including Sponsorship rights) for a separate agreement ("*Licensed Area Agreement*") and upon award of any such Licensed Area Agreement, the provisions of this

Agreement shall be subordinate and subject to such Licensed Area Agreement with respect to the Licensed Area, or (c) terminate this Agreement on the date set forth in such notice.

After the Executive Director has approved the initial Business and Operations Plan, as provided in Section 1.4 below, TMO shall promptly commence installation of all Improvements approved in the initial Business and Operations Plan and TMO shall complete installation of all such Improvements, including the initial Advertising Displays and other Media Elements, but only in the Display Locations, all as provided in this Agreement and the initial Business and Operations Plan; provided, however, that the Executive Director, in her or his sole discretion, may approve elements of the Business and Operations Plan separately prior to approval of the entire Business and Operations Plan.

1.4 Executive Director Review and Approval. Upon submission of the initial Business and Operations Plan to the Executive Director for review, the Executive Director shall use reasonable efforts to respond within ten (10) Business Days following receipt from TMO. TMO shall, within ten (10) Business Days following receipt from the Executive Director of any requested revisions to or comments regarding deficiencies of the initial Business and Operations Plan, respond to the Executive Director with a revised or supplemental plan which addresses such requested revisions, comments or deficiencies. The Executive Director shall use reasonable efforts to respond to any resubmission or supplement within five (5) Business Days following receipt. If the Executive Director shall fail to respond to any submission or resubmission of the initial Business and Operations Plan within the specific time periods set forth in this Section 1.4, then TMO shall have a day for day extension in which to submit any revised or supplemental initial Business and Operations Plan.

1.4.1 The Executive Director shall have the right to reasonably condition the approval of the initial Business and Operations Plan on such further actions, undertakings or requirements to be performed by TMO as the Executive Director may deem necessary or appropriate. Approval of the initial Business and Operations Plan issued by the Executive Director shall be in writing, and the Business and Operations Plan, as so approved, shall be attached to and become a part of this Agreement, and shall contain such other provisions, including but not limited to Conditions of Approval, that the Executive Director deems necessary or appropriate (in the Executive Director's reasonable discretion).

1.4.2 Approval of the initial Business and Operations Plan shall be deemed to be conditioned upon TMO's compliance with the applicable provisions of this Agreement (including, without limitation, the provisions of Article VII below), regardless of whether the Executive Director's written approval expressly so states. Except as otherwise approved by the Executive Director, the TMO shall follow applicable portions of the Design and Construction Handbook in implementing any installation or construction under the Business and Operations Plan. Within ten (10) Business Days following receipt by TMO of the approval of the initial Business and Operations Plan issued by the Executive Director, TMO shall countersign and return a copy of such approval to the Executive Director, signifying TMO's agreement to and acceptance of such approval (including any Conditions of Approval contained therein); provided, however, that unless TMO objects in writing to such approval within such ten Business Day period, TMO shall be deemed to have approved and accepted such initial Business and Operations Plan as approved by the Executive Director, including

any Conditions of Approval. At such time as the approval of the initial Business and Operations Plan is issued by the Executive Director and accepted by TMO, the terms of such Business and Operations Plan as so approved shall be deemed to become a part of this Agreement to the extent not inconsistent or in conflict with the terms and provisions of this Agreement, which shall be deemed to control.

1.5 Business and Operations Plan for Other Facilities. Commencing on the Other Facilities Commencement Date, TMO shall be responsible for the planning, design and development of the Advertising Displays and other Media Elements in specified locations in the Other Facilities and the operation of the Permitted Uses within the Other Facilities, all as more particularly identified in this Agreement. No later than thirty (30) days after the Effective Date, TMO shall develop and submit to the Executive Director for her or his review and approval a conceptual plan for the Improvements and Display Locations and locations of other Media Elements to be operated by TMO in the Other Facilities. No later than forty-five (45) days after the Effective Date, TMO shall submit to the Executive Director for her or his review and approval an initial Business and Operations Plan for the Other Facilities. The initial Business and Operations Plan for the Other Facilities shall include TMO's initial plan for developing, installing and operating Emerging Media in the Other Facilities. Notwithstanding the foregoing, the Executive Director may, in her or his sole discretion, extend the deadline for delivery for either the conceptual plan or the initial Business and Operations Plan, or both, for the Other Facilities. The Business and Operations Plan for the Other Facilities shall be a logical progression of the conceptual plan included in TMO's response to the RFP.

After the Executive Director has approved the initial Business and Operations Plan for the Other Facilities, as provided in Section 1.6 below, TMO shall promptly commence installation of all Improvements in the approved Business and Operations Plan and TMO shall complete installation of all such Improvements, including the Advertising Displays and other Media Elements, all as provided in this Agreement and such Business and Operations Plan; provided, however, that the Executive Director, in her or his sole discretion, may approve elements of the Business and Operations Plan separately prior to approval of the entire Business and Operations Plan.

1.6 Executive Director Review and Approval of Business and Operations Plan for the Other Facilities. Upon submission of the conceptual plan for the Other Facilities and the initial Business and Operations Plan for the Other Facilities to the Executive Director for review, the Executive Director shall use reasonable efforts to respond to the submission within ten (10) Business Days following receipt from TMO. TMO shall, within ten (10) Business Days following receipt from the Executive Director of any requested revisions to or comments regarding deficiencies of the conceptual plan for the Other Facilities or the initial Business and Operations Plan for the Other Facilities, as applicable, respond to the Executive Director with a revised or supplemental submission which addresses such requested revisions, comments or deficiencies. The Executive Director shall use reasonable efforts to respond to any such resubmission or supplement within five (5) Business Days following receipt. If the Executive Director shall fail to respond to any such submission or resubmission within the specific time periods set forth in this Section 1.6, then TMO shall have a day for day extension in which to submit any revised or supplemental initial Business and Operations Plan for the Other Facilities, except as provided in 1.6.3 below.

1.6.1 The Executive Director shall have the right to reasonably condition the approval of the initial Business and Operations Plan for the Other Facilities on such further actions, undertakings or requirements to be performed by TMO as the Executive Director may deem necessary or appropriate. The approval of the conceptual plan and the initial Business and Operations Plan for the Other Facilities, as applicable, issued by the Executive Director shall be in writing, and shall be attached to and become a part of this Agreement.

1.6.2 The Executive Director's approval of the initial Business and Operations Plan for the Other Facilities shall be deemed to be conditioned upon TMO's compliance with the applicable provisions of this Agreement (including, without limitation, the provisions of Article VII below), regardless of whether such approval expressly so states. Except as otherwise expressly approved by the Executive Director in writing, the TMO shall comply with the applicable portions of the Design and Construction Handbook. Within ten (10) Business Days following receipt by TMO of the approval of the initial Business and Operations Plan for the Other Facilities issued by the Executive Director, TMO shall countersign and return a copy of such approval to the Executive Director, signifying TMO's agreement to and acceptance of such approval (including any Conditions of Approval contained therein); provided, however, that unless TMO objects in writing to such approval within such ten Business Day period, TMO shall be deemed to have approved and accepted such approved Business and Operations Plan as approved by the Executive Director, including any Conditions of Approval. At such time as the approval of the initial Business and Operations Plan for the Other Facilities is issued by the Executive Director and accepted by TMO, the terms of such approval shall be deemed to become a part of this Agreement to the extent not inconsistent or in conflict with the terms and provisions of this Agreement, which shall be deemed to control.

1.6.3 TMO acknowledges that the Other Facilities are subject to an existing agreement (the "**Existing Agreement**") that may only be terminated one time each year upon the delivery by the City of advance written notice, as provided therein and, if not terminated, the term of the Existing Agreement will be extended for up to three (3) additional one year periods. Notwithstanding any provision of this Section 1.6 to the contrary, TMO shall have no right to enter upon or use the Display Locations or to operate the terminal media operator concession granted by this Agreement in any portion of the Other Facilities unless the initial Business and Operations Plan for the Other Facilities has been approved by the Executive Director no less than 120 days prior to the proposed Delivery Date of the Other Facilities, and the foregoing deadline shall not be subject to extension pursuant to Section 1.6, unless waived by the Executive Director in his or her sole discretion. If such Business and Operations Plan is not approved by the foregoing deadline, then TMO shall have no right to enter upon or use the Display Locations or to operate the terminal media operator concession granted by this Agreement in any portion of the Other Facilities until April 8 of the following year; provided that the initial Business and Operations Plan for the Other Facilities has been approved by the Executive Director no less than 120 days prior to such date.

1.7 Notice of Delivery. Subject to TMO's compliance with all provisions of the Executive Director's approval of the applicable Business and Operations Plan to be complied with prior to the time of delivery, City will deliver such portion(s) of the Display Locations on the Delivery Date set forth in the Delivery Notice for such portion(s) of the ADP; provided,

however, the Executive Director shall have the right for good cause to extend the Delivery Date if circumstances warrant in the Executive Director's sole judgment. TMO agrees to accept delivery of such portion of the Display Locations so designated on the Delivery Date. Within ten (10) Business Days following the Executive Director's request, TMO shall execute a Commencement Date Memorandum in the form of Exhibit "C" attached hereto acknowledging the calendar date of the commencement of the Term as to the Display Locations delivered to TMO by City pursuant to this Agreement, together with such other reasonable information contained in the Commencement Date Memorandum as the Executive Director may request. TMO's failure to execute a Commencement Date Memorandum shall not affect the commencement date of the Term for such Display Locations nor the performance of TMO's obligations with respect thereto.

If for any reason the City cannot deliver any portion of the Display Locations to TMO on the applicable Delivery Date, the City shall not be subject to any liability therefor, however, any required installation and/or completion dates or deadlines at such portion of the Display Locations shall be extended by the Executive Director in writing. Such inability to deliver a Display Location shall not affect the validity of this Agreement or the obligations of TMO under this Agreement or extend the Expiration Date. If for any reason the City is unable to deliver the right to use any Display Location to TMO within twelve months after the applicable Delivery Date, then the Executive Director, in the Executive Director's sole and absolute discretion, shall have the option at any time thereafter to notify TMO in writing of the City's intent to remove any or all of such undeliverable Display Locations from the ADP, and the applicable portion of Exhibit "A" shall be revised to delete such undeliverable Display Location(s) and the MAG shall be adjusted as provided in Section 4.1.1(c)(ii) of this Agreement.

1.8 Addition of Advertising Displays or Other Media Elements. Unless otherwise agreed by the Executive Director in writing, during the Term of this Agreement, TMO may submit written proposals to the Executive Director once each year as part of its annual Business and Operations Plan requesting that City consider making available to TMO unoccupied or otherwise unreserved space within any Facility as Display Locations for development of additional Advertising Displays (including, without limitation, Temporary Displays), Sponsorships and Sponsorship Activations, and other Media Elements (including without limitation Emerging Media) under this Agreement for a specific proposed Permitted Use (a "***TMO Additional Display Locations Proposal***"); provided, however, that until delivery to TMO of the right to use the Other Facilities, a TMO Additional Display Locations Proposal shall not include any space in the Other Facilities. City may also notify TMO of additional areas within the Facilities that may be made available for additional Display Locations under this Agreement. City shall be under no obligation to consider any such TMO Additional Display Locations Proposal; provided, however, in the event that City decides (in the Executive Director's sole discretion, subject to Section 1.4) to thereafter make such space identified in such TMO Additional Display Locations Proposal available for the specific Permitted Use identified in such TMO Additional Display Locations Proposal, then City agrees to give TMO written notice of City's intent to so make such additional space available for such purpose. Such written notice by City will define such additional Display Location(s) and set forth any additional terms and conditions being proposed by the Executive Director with respect to the addition of such Display Location(s) under this Agreement. Following receipt of such written notice, TMO and the Executive Director shall negotiate in good faith for a period of sixty (60) days to attempt to reach

mutually agreeable terms and conditions with respect to such additional Display Location(s). Such 60-day negotiation period may be extended by the Executive Director in his or her sole discretion. In the event that TMO and the Executive Director are unable to reach mutually agreeable terms and conditions within such negotiation period, then TMO shall have no right to such additional Display Location(s). Nothing in this Section 1.8 or in any other provision of this Agreement shall be construed to require City to negotiate with TMO or otherwise make available to TMO any additional Display Location within any Facility.

1.9 TMO's Acknowledgment. With respect to any and all Display Locations and the Licensed Area that TMO has or will have the right to use under this Agreement, TMO hereby acknowledges and agrees that: (a) TMO has been advised to satisfy itself with respect to the condition thereof (including but not limited to physical and environmental condition, the Improvements, equipment, and utilities, security, compliance with Laws, and the present and future suitability thereof for TMO's intended use); (b) TMO shall have independently made such investigation as it deems necessary with reference to such matters; (c) except as specifically set forth in this Agreement (including, without limitation, Section 7.3 and Article 15), neither City, nor any City Agent, has made any oral or written representations or warranties of any kind whatsoever, express or implied, as to any matters concerning the Facilities or any Display Location, including, without limitation, the condition of the Display Locations and the present and future suitability for TMO's intended use; (d) except as otherwise expressly set forth in this Agreement (including, without limitation, Sections 1.3 and 7.3 and Article 15), TMO will take delivery of the Display Locations and Licensed Area from City on an "as is" basis with all defects, whether patent or latent; and (e) except as otherwise expressly set forth in this Agreement (including, without limitation, Sections 1.3 and 7.3 and Article 15), any modifications, Improvements, additions, or repairs to the Display Locations and any equipment or systems that are either required to be made in order to make the Display Locations suitable for TMO's intended use or required by Laws to be made to the Display Locations in connection with TMO's use of the Display Locations shall be constructed or installed by TMO, at TMO's sole cost and expense, and in compliance with Article VII of this Agreement and the applicable approved the Business and Operations Plan. Any City Information furnished to TMO by City or by any City Agent is being furnished without representation or warranty by City and with the understanding that TMO will not rely on the City Information, but rather TMO will independently verify the accuracy of the statements or other information contained in the City Information. It is the parties' express understanding and agreement that all such City Information is provided only for TMO's convenience in facilitating TMO's own independent investigation and evaluation, and, in doing so, TMO shall rely exclusively on its own independent investigation and evaluation of each and every aspect of the subject matter of this Agreement (including, without limitation, all historical data and the condition of the Display Locations and their operations) and not on any information or materials supplied by City, except as may be otherwise expressly provided in this Agreement. If and to the extent that the City obtains as-built drawings, plans and specifications for the Licensed Area and the Display Locations, the City agrees to make such as-built drawings, plans and specifications available to TMO for review and copying upon TMO's request, to the extent the City is permitted to do so under its contractual obligations in effect as of the Effective Date, and such as-built drawings, plans and specifications shall constitute City Information.

Except as expressly otherwise set forth in this Agreement, TMO acknowledges and agrees that the Display Locations and the Licensed Area are being delivered to and accepted by TMO on the applicable Delivery Date in an "As-Is," "Where Is" and "With all Faults" condition and without any representation, warranty or implied warranty of any kind or nature as to the condition, use or occupancy which may be made thereof and without any improvements or alterations by City. Except as expressly set forth in this Agreement, TMO waives, and City disclaims, all warranties of any type or kind whatsoever with respect to the Display Locations and the Licensed Area, whether express or implied, including, by way of description but not limitation, those of fitness for a particular purpose and use. Notwithstanding the foregoing, if and to the extent that any or all warranties relating to the Licensed Area or the Display Locations are transferrable, the City will use diligent efforts to transfer such warranties to TMO; provided, however, the City shall be permitted to reserve its rights thereunder as the owner of such facilities.

Notwithstanding the foregoing, TMO acknowledges and agrees that its rights under this Agreement are subject to the rights of certain other concessionaires in existence on the Effective Date, including any TCM, the provider of wireless services and others, and as set forth in Sections 3.4 and 3.5.

1.10 Additional Mandatory Services - Minimum Requirements. At the written direction of the Executive Director, to be exercised in her or his sole discretion, TMO shall undertake and perform the following additional mandatory services:

1.10.1 TMO shall provide Terminal directories in the departure concourses of the Airport, which shall be installed and operated in numbers and locations as required by the Executive Director. Such displays shall be floor or wall mounted on the departure level of each terminal, as appropriate for the width of each concourse. The City will provide the directory display artwork at no cost to TMO. Floor mounted directories shall be two, three or four-sided, featuring Advertising Displays on faces that are not otherwise designated by the Executive Director for directory displays, Flight Information Display Systems ("**FIDS**"), or other purposes. Terminal directories shall be included within the Facilities without regard to the presence of Advertising Display opportunities at such locations.

1.10.2 TMO shall install, maintain and operate "Information Boards," also known as "Digital Welcome Centers," located in the arrival areas of the Airport's terminals. Capabilities of the Information Boards or Digital Welcome Centers shall include, but not be limited to "interactive virtual concierge" welcome kiosks at each terminal that include live cameras with weather, traffic or other information; connections to hotels, transportation and food options; dual interactive touch screen displays; direct telephone lines; and a large LCD screen.

(a) TMO may not accept or provide Advertising on the Information Boards at the Airport for any off-Airport parking operators or any non-concessionaire rental car operators.

(b) If required by the City in writing, TMO shall provide, without charge, Advertising on the Information Boards at the Airport for the following entities during the entire term of this Agreement:

(i) Transportation services operated by or on behalf of the Airport, including but not limited to the following bus and courtesy shuttle services: FlyAway, Inter-Airline Terminal, links to public transportation (e.g. Metro Rail Green Line shuttle and Metro Bus Center) and Airport perimeter parking lots.

(ii) Public Transit Authorities

(iii) On-Airport Rent-A-Cars

1.10.3 TMO may satisfy any of the requirements of this Section 1.10 through a Sponsorship.

II. DISPLAY LOCATIONS, TERM, EARLY TERMINATION.

2.1 Display Locations. TBIT Display Locations. The portions of the Airport that consist of the TBIT Display Locations shall consist of those areas within or at the TBIT Facilities that are shown on Exhibit "A-1", as modified by the approved initial Business and Operations Plan, as such Display Locations may be further modified from time to time as provided in this Agreement. Except as expressly provided in this Agreement, at all times during the Term, TMO shall have the rights granted under this Agreement to operate the terminal media concession at the TBIT Display Locations, and pursuant to this Agreement, during the Term, the City grants to TMO the exclusive right to occupy and use, in accordance with the terms and conditions of this Agreement, the TBIT Display Locations.

2.1.2 Other Facilities Display Locations. The portions of the Airport that consist of the Other Facilities Display Locations shall consist of those areas within or at the Other Facilities that are shown on Exhibit "A-2", as modified by the approved initial Business and Operations Plan for the Other Facilities, as such Other Facilities Display Locations may be further modified from time to time as provided in this Agreement.

2.1.3 Licensed Area. The City also hereby grants to TMO, commencing upon the TBIT Delivery Date, an exclusive license to use and operate, subject to and in accordance with the provisions of this Agreement, expressly including Section 2.3 hereof, the Licensed Area (including the Foundational Content).

2.2 Term. The Term shall commence with respect to the TBIT Display Locations and the Licensed Area on the Effective Date and, unless earlier terminated as provided in this Agreement, shall terminate on the Expiration Date. The Term shall commence with respect to the Other Facilities Display Locations on the Other Facilities Commencement Date and, unless earlier terminated as provided in this Agreement, shall terminate on the Expiration Date.

2.3 Extension Term.

The City may, in its sole discretion, if TMO is not in Default under this Agreement, extend the term of this Agreement for one additional period of three (3) years (the "***Extension Term***"). No less than 90 and no more than 150 days before the Expiration Date, the Executive Director may send written notice to TMO stating that the City has elected to extend the Term of this Agreement for a period of three (3) years. Such Extension Term shall be on the same terms and conditions as set forth in this Agreement; provided, however, that such extension shall not operate to extend the amortization periods described in Section 9.2 below. Notwithstanding the foregoing extension right granted to the City, the City shall have no right to extend the Term as provided in this Section 2.3 in the event that TMO delivers, prior to the first day of the fifth (5th) Agreement Year, written notice to the City that TMO elects to opt out of the provisions of this Section 2.3 (the "Opt Out Notice"). In the event that the TMO delivers the Opt Out Notice to the City within the time provided in the preceding sentence, the City's right to extend the Term under this Section 2.3 shall be of no force and effect. In the event that TMO fails to deliver the Opt Out Notice to the City within the time provided above, TMO shall have no further right to opt out of the provisions of this Section 2.3.

2.4 Relocation Rights. The City shall have the right to delete, relocate or modify any Display Location from and to any portion of the Facilities under this Agreement, upon giving by the Executive Director of ninety (90) days prior written notice to TMO, after which the provisions of Section 9.1 of this Agreement shall become applicable to TMO with respect to the Display Location(s) designated in such notice. No relocation assistance or benefits shall accrue to TMO resulting from such relocation other than as expressly provided in Section 9.2 of this Agreement.

2.5 Surrender. TMO agrees that at 11:59 p.m. on the Expiration Date, or on the sooner termination of this Agreement, TMO shall surrender the Display Locations and the Licensed Area (including the Foundational Content and all Improvements) to City (a) in good order, condition and repair (normal wear and tear excepted and subject to the provisions of Article XII below), and (b) free of any Hazardous Materials that are the responsibility of TMO under the terms of this Agreement. Normal wear and tear shall not include any damage or deterioration that would have been prevented by proper maintenance by TMO or TMO otherwise performing all of its obligations under this Agreement. On or before the expiration or, thirty (30) days after written notice is provided by the City in the event of sooner termination of this Agreement, TMO shall, if requested in writing by the Executive Director, remove all Advertising Displays, Sponsorship Activations, TMO's personal property, and/or all Telecommunications Facilities installed in the Airport by or on behalf of the TMO (provided the Executive Director may require that such removal shall be performed by a contractor or telecommunications provider designated by the Executive Director), and TMO shall repair any damage caused by such removal. Any of TMO's personal property not so removed by TMO as required herein shall be deemed abandoned and may be stored, removed, and disposed of by City at TMO's expense, and TMO waives all Claims against City for any damages resulting from City's retention and disposition of such property; *provided, however*, that TMO shall remain liable to City for all costs incurred in storing and disposing of such abandoned property of TMO. Except as expressly provided in this Section 2.5, all Improvements shall remain in the Display Locations and the Licensed Area as the property of City. On the Expiration Date or earlier termination of

this Agreement, all rights and obligations of TMO under this Agreement shall terminate. Notwithstanding anything in the foregoing sentence or elsewhere in this Agreement to the contrary, no expiration or earlier termination of this Agreement shall release TMO from any liability or obligation hereunder, whether of indemnity or otherwise, that either (1) arises or accrues prior to such expiration or earlier termination, (2) results from any acts, omissions, or events occurring prior to TMO surrendering the Display Locations and the Licensed Area to City, or (3) expressly survives the expiration or earlier termination of this Agreement.

III. TERMINAL MEDIA OPERATOR RIGHTS AND DUTIES

3.1 Terminal Media Operator. During the Term, TMO shall act as terminal media operator of the Advertising, Sponsorship and other Media concession operations, initially at the TBIT Display Locations and the Licensed Area and, following the Other Facilities Commencement Date, all of the Display Locations and the Licensed Area. As the terminal media operator, TMO shall be responsible for the successful delivery and management of all Advertising, Sponsorship and other Media concession operations within the Display Locations subject to this Agreement in a manner consistent with comparable world-class international airports. As the terminal media operator, TMO shall select and enter into all Media Agreements with Advertisers, Sponsors and other parties, subject to and in accordance with Section 3.3, below.

3.2 Annual Business and Operations Plan and Meeting. TMO shall prepare an annual Business and Operations Plan for each Agreement Year for the operation, maintenance and management of the Advertising, Sponsorship and other Media concession operations within the Display Locations and the Licensed Area which shall at all times be subject to the approval of the Executive Director as set forth in this Section 3.2. The initial Business and Operations Plans for the TBIT Facilities and the Other Facilities shall be prepared by TMO and approved by the Executive Director in accordance with Article I of this Agreement. Thereafter, the TMO shall prepare a new Business and Operations Plan and submit it to the Executive Director, on an annual basis, no later than sixty (60) days before the commencement of each Agreement Year continuing through the end of the Term. The annual Business and Operations Plan shall be subject to the approval of the Executive Director each Agreement Year (which the Executive Director shall provide within thirty (30) days following submission), and any material changes to the Business and Operations Plan as so approved by the Executive Director that occur during the Agreement Year shall be subject to the further approval of the Executive Director in a similar manner. Until such approval is obtained, TMO shall continue to operate under the most recent approved Business and Operations Plan. Upon approval of a Business and Operations Plan by the Executive Director, such plan shall supersede any and all prior approved Business and Operations Plans. TMO shall operate, maintain and manage the terminal media concession operations under this Agreement substantially in accordance with the Business and Operations Plan as approved by the Executive Director. Notwithstanding anything contained in the Business and Operations Plan, in the event of a conflict between the provisions of this Agreement and the provisions of the Business and Operations Plan, the provisions of this Agreement shall control.

An executive level representative of TMO who is familiar with the terms and conditions of this Agreement shall meet with Airport management not less than once each Agreement Year throughout the Term of this Agreement, along with such other representatives from TMO's staff,

as may be reasonably requested by the Executive Director. TMO's executive level management representative shall also be available as required to resolve any issue which cannot be managed by TMO's local management. At the annual meeting, TMO shall present a review of the status and direction of all aspects of the terminal media concession, including but not limited to TMO's performance measures as defined in this Agreement and past, current and future Business and Operations Plans. All such meetings shall be arranged by written or electronic notice to document their occurrence.

3.3 Media Agreements. A term sheet summarizing each and every Media Agreement shall be subject to the prior written approval of the Executive Director (such approval not to be unreasonably withheld, conditioned or delayed), except as provided in Section 5.2, prior to display of any Advertising or other Content pursuant to such Media Agreement. TMO shall submit to the Executive Director the proposed terms of each proposed Media Agreement between the TMO and each Advertiser or other party, or potential Advertisers or other parties, at least ten (10) days prior to its effective date. Except for Sponsorship Agreements, if the Executive Director does not object to the terms of a Media Agreement in writing within such ten day period, the Media Agreement shall be deemed to be acceptable to the City. Sponsorship Agreements shall be subject to City approval as provided in Section 5.2. Promptly following the Effective Date, TMO shall develop forms of Media Agreement for each type of Media other than Sponsorships and submit such forms of Media Agreement to the Executive Director for review and approval. Each Media Agreement shall contain a statement that the Media Agreement is expressly subordinate to and subject to the terms and conditions of this Agreement, and is contingent upon the City's approval of the Content. Any changes to the forms of Media Agreement shall also be subject to the Executive Director's review and approval, and the Executive Director may require reasonable changes to the form of Media Agreement from time to time during the term of this Agreement. The process for obtaining such approvals is to be set forth in the Business and Operations Plan. No approved form of Media Agreement shall be amended, extended or terminated, without the prior written approval of the Executive Director, such approval not to be unreasonably withheld, conditioned or delayed.

In connection with any requested approval of the terms of any Media Agreement, TMO shall provide (or cause to be provided) the following information, which shall be included in each such Media Agreement, as well as any and all additional information as the Executive Director may reasonably request regarding the proposed Media Agreement:

3.3.1 Name of the Sponsor or Advertiser;

3.3.2 Commencement date and termination date for the Sponsorship, display of each Advertisement or other Media Element;

3.3.3 Whether the contract is new or a renewal;

3.3.4 Number of Advertising Displays or other Media Elements and their respective locations, media types and sizes;

3.3.5 The complete details of each Sponsorship Package, including all amounts to be paid by each Sponsor, the Approved Sponsorship Costs, and a description of

all Sponsorship Activations and non-monetary consideration proposed to be provided by Sponsor, and Entitlements and Marketing Designation proposed to be provided to each Sponsor, and all amounts to be paid by an Advertiser for each Advertising Display or other Media Element and whether such amounts are one-time, weekly, monthly, quarterly, or annually;

3.3.6 Any charges paid or payable by the Sponsor, Advertiser or other party or its agency;

3.3.7 A sketch, photograph, video or model of any proposed Sponsorship Activation, Advertising Display, other Media Element, or Content in sufficient detail that the City can determine the size and style of the proposed Sponsorship Activation or Advertising Display in its proposed location. In the event of rejection of any or all of the proposed Sponsorship Activation, display Advertising program, or other Media Element design plans, TMO may amend and resubmit design plans; and

3.3.8 If the proposed Media Agreement would apply to locations not at the Airport as well as at the Airport, a description of TMO's proposed allocation of Gross Revenues from such Media Agreement between this Agreement and such other locations, and the rationale therefor.

3.4 Limitations on TMO's Rights. The City shall not be obligated to restrict the signage or Advertising of a tenant, licensee or permittee with an agreement with the City for operations at the Airport in effect on the Effective Date to the extent such restriction would violate any agreement between the City and such tenant, licensee or permittee that was in existence on the Effective Date. TMO is only authorized to conduct at the Airport, and only from the Display Locations and the Licensed Area then subject to this Agreement, the Permitted Uses and no other business or uses. The Permitted Uses do not permit TMO to have access to the air operations area of the Airport, except as expressly provided in this Agreement. TMO acknowledges that the provision of Wi-Fi at the Airport is non-exclusive, and City may have one or more Wi-Fi providers within the Facilities which may be accessible to users within the Airport. TMO also acknowledges that the City may grant the TCM and its concessionaires and the Duty Free Operator the right to advertise or promote certain products within the Facilities, and this Agreement is subject to such right.

The purpose of this Agreement and the grant to TMO of the terminal media operator concession is to maximize Airport revenues and to offset costs of running the Airport to the greatest extent possible. This Agreement is not intended by the City to create a forum for unlimited public expression. Therefore, in order to maximize revenues from this terminal media concession, TMO shall limit the use of the Display Locations and the Licensed Area to the placement of Advertisements, Sponsorships and Sponsorship Activations, and other Media Elements from commercial entities and, with respect to the Licensed Area, Content approved by the City, where such Advertisements, Sponsorships and Sponsorship Activations, and other Media Elements do no more than propose the sale, for profit, of goods and/or services (except for public service advertisements and other Content approved by the Executive Director). The City has determined that limiting the use of the Display Locations and the Licensed Area to the placement of Advertisements from commercial entities and other approved Content where such

Advertisements do no more than propose the sale, for profit, of goods and/or services will likely maximize revenues for the following reasons: (a) restricting the Display Locations and Display Areas to commercial Advertising and other approved Content will enable the City to maintain a position of neutrality on political and religious issues at the Airport, thereby preventing violent acts against the Airport, its tenants, and the traveling public that the City is concerned might occur if Advertising and other approved Content are not restricted to commercial Advertising and other approved Content; and (b) restricting the Licensed Area to commercial Advertising and other approved Content will prevent a reduction in income earned from selling Advertising space, Sponsorships and other Media Elements, because commercial entities might be dissuaded from using the same forum commonly used by those wishing to communicate primarily political or religious messages.

3.5 General Obligation to Operate. Subject to events of Force Majeure and except for periods of closure specified in writing as a part of an approved Business and Operations Plan, or periods of closure in connection with any subsequent approved Improvements as approved in writing by Executive Director, TMO shall provide the full range of terminal media concession services every day of the Term of this Agreement, without exception. TMO shall take all reasonable measures, in every proper manner, to develop, maintain and increase the Media business at the Airport.

3.6 Rights are Exclusive. Subject to the rights reserved to City under this Agreement, including without limitation the rights reserved to the City as provided herein to grant persons other than the TMO certain rights to develop and operate Emerging Media at the Airport, TMO acknowledges and agrees that, subject to TMO's compliance with the terms and conditions of this Agreement, (a) at all times during the Term, (i) TMO shall have the exclusive rights granted under this Agreement to operate the terminal media concession at the TBIT Display Locations and the Licensed Area and (ii) the City grants to TMO the exclusive right to occupy and use, in accordance with the terms and conditions of this Agreement, the TBIT Display Locations and the Licensed Area and, except as expressly provided in this Agreement, at all times during the Term following the Other Facilities Commencement Date, (iii) TMO shall have the exclusive rights granted under this Agreement to operate the terminal media concession at the applicable Display Locations, and (iv) the City grants to TMO the exclusive right to occupy and use, in accordance with the terms and conditions of this Agreement, the applicable Display Locations and (b) the rights granted to TMO under this Agreement do not include any right to use, occupy or possess any area other than the Display Locations (as modified from time to time as provided in this Agreement) and the Licensed Area, including, without limitation, any outdoor Advertising locations at the Airport or any new terminals or other facilities developed by City in the future, except as provided in Section 5.6.5.

3.7 General Disputes. In the event of a dispute between TMO and any other Airport tenant, manager or concessionaire as to the Media services to be offered by TMO in any Display Location or the Licensed Area or other location or any other element of TMO's operations and activities at the Airport, TMO shall meet and confer with Executive Director, and Executive Director shall determine (which determination shall be in the Executive Director's sole discretion) the services to be offered by each, and any decision by Executive Director shall be final and binding upon TMO.

3.8 No Other Uses. TMO shall not use nor permit the Display Locations or the Licensed Area or any portion thereof to be used for any purpose other than the Permitted Uses except with the prior written consent of the Executive Director, nor for any use in violation of any applicable Law. In the event that TMO desires to use the Display Locations or the Licensed Area or any portion thereof for any purpose other than the Permitted Uses, TMO may submit a request to Executive Director, and Executive Director may, in Executive Director's sole and absolute discretion, approve, deny or condition its approval of such request in writing (and any such written approval shall be approved as to form by the City Attorney). Any such decision by Executive Director shall be final and binding upon TMO.

3.9 Rules and Regulations. TMO shall comply with the Rules and Regulations of the City and Department of the Airports. City shall not be responsible to TMO or any other third party for the failure of any other person to observe and abide by any of said Rules and Regulations.

3.10 Storage Space. TMO shall only use those areas within the Facilities separately leased to TMO for the storage of equipment, inventory or supplies as are approved by the Executive Director. The Executive Director may (but shall have no obligation to) make additional storage space available to TMO at the Airport from time to time. In the event the Executive Director makes such additional storage space available to TMO and TMO desires to lease such storage space, City and TMO shall enter a storage space addendum in the form of Exhibit "E" attached hereto, as such form may be modified from time to time by Executive Director.

3.11 Common Areas. Subject to compliance with City's Rules and Regulations and security requirements, TMO shall have the non-exclusive right, in common with others authorized by City, of ingress and egress through all Common Areas; provided, however, the Executive Director may, in her or his sole discretion, and without liability to TMO, change the size or location of the Common Areas, including, without limitation, by converting Common Areas to leaseable or other areas, or leaseable areas to Common Areas. City shall use reasonable efforts so as to not prevent access and/or substantially impair access to the Display Locations or the Licensed Area in connection with any such changes to the Common Areas. Executive Director may, in Executive Director's sole discretion, establish and enforce non-discriminatory Rules and Regulations concerning the Common Areas, temporarily close portions of the Common Areas for security, maintenance or other purposes, and make changes to the Common Areas including, without limitation, changes in the location of security points, driveways, entrances, exits, parking spaces and the direction and flow of pedestrian and vehicular traffic. Except for damage caused by TMO, TMO shall not be responsible for the maintenance or repair of any Common Areas.

3.12 Public Address System. City shall have the right, in its sole discretion, to install public address system speakers in or adjacent to the Display Locations and the Licensed Area or any portion thereof for announcing flight arrivals and departures and other Airport information. TMO shall not install any public address, paging, or other similar audio system in the Display Locations or the Licensed Area or any portion thereof at any time, without the prior written approval of the Executive Director (in the Executive Director's sole discretion).

3.13 Wireless Communications.

(a) Without the prior written consent of the Executive Director (in his or her reasonable discretion), TMO shall not have any wireless internet system(s) within the Display Locations or the Licensed Area or any portion thereof. Without the prior written consent of the Executive Director, in his or her reasonable discretion, TMO shall not install or use any wireless workstations, access control equipment, wireless internet servers, transceivers, modems or other hardware that transmit or otherwise access radio frequencies. Notwithstanding the prior consent of the Executive Director for the installation of any such system or equipment, the Executive Director shall have the absolute right, upon thirty (30) days' prior written notice, to require the removal of any such system or equipment (at TMO's sole expense) in the event that such system or equipment interferes with any present or future systems or equipment installed by City at the Airport.

(b) In her or his sole discretion, the Executive Director may (but shall have no obligation to) assign one or more SSIDs (service set identifiers) to TMO for its use with respect to operation by TMO of a wireless local area network at the Airport.

IV. PAYMENTS BY TMO

4.1 Base Fees. In consideration for the rights granted to TMO under this Agreement by the City, TMO shall pay to the City Base Fees in the amounts and in the manner provided in this Section 4.1. Payment terms are defined in Section 4.1.4 below.

4.1.1 Amount of Base Fees Due. During the Term of this Agreement, for each of the periods stated below, Base Fees shall be the amount set forth below in the applicable paragraph of this Section 4.1.1. for such period:

(a) TBIT Facilities Period. During the TBIT Facilities Period, Base Fees shall be equal to the greater of (x) the TBIT Monthly Guarantee multiplied by the number of months that comprise the TBIT Facilities Period, or (y) the sum of (i) Advertising Percentage Fees, (ii) Emerging Media Fees, and (iii) Sponsorship Percentage Fees for the TBIT Facilities Period.

(b) Partial Agreement Year. During the Partial Agreement Year, Base Fees shall be equal to the greater of (x) an amount equal to \$17,500,000 or (y) the sum of (i) Advertising Percentage Fees, (ii) Emerging Media Fees, and (iii) Sponsorship Percentage Fees for the Partial Agreement Year.

(c) First Agreement Year. During the First Agreement Year, Base Fees shall be equal to the sum of (x) the greater of (i) Twenty-One Million Dollars (\$21,000,000) or (ii) Advertising Percentage Fees for the First Agreement Year, plus (y) the greater of (i) Five Million Dollars (\$5,000,000) or (ii) Sponsorship Percentage Fees for the First Agreement Year, plus (z) Emerging Media Fees for the First Agreement Year.

(d) Other Agreement Years. For all Agreement Years commencing on the January 1 following the end of the First Agreement Year, Base Fees shall be equal to the sum of (x) the greater of (i) Advertising MAG (minimum annual guarantee) for such Agreement Year or (ii) Advertising Percentage Fees for such Agreement year, plus (y) the greater of (i) Sponsorship MAG for such Agreement Year, or (ii) Sponsorship Percentage Fees for such Agreement Year, plus (z) Emerging Media Fees for such Agreement Year.

4.1.2 Payments. TMO shall make payments of Base Fees to the City as provided in this Section 4.1.2.

(a) TBIT Facilities Period. On or before the first day of each and every month during the TBIT Facilities Period, the TMO shall pay to the City not less than the TBIT Monthly Guarantee. Within thirty (30) days after the anniversary of the Effective Date, and within thirty (30) days after the end of the TBIT Facilities Period, the TMO shall calculate, in accordance with Section 4.1.3, the amount of the Percentage Fees for the applicable portion of the TBIT Facilities Period. If the amount of Percentage Fees for such period is greater than the amount of the TBIT Monthly Guarantee paid by TMO to the City for such period, TMO shall remit the amount equal to the difference between the Percentage Fees for such period and the TBIT Monthly Guarantee for such period to the City within such thirty-day period, along with the calculation of Percentage Fees, certified as correctly calculated in accordance with this Agreement by the Chief Financial Officer of the TMO.

(b) Partial Agreement Year. On or before the first day of each and every month during the Partial Agreement Year, the TMO shall pay to the City not less than \$65,543 multiplied by the number of days in such calendar month during the Partial Agreement Year (or, for the portion of the initial month in the Partial Agreement Year, the number of days such month within the Partial Agreement Year).

(c) First Agreement Year. On or before the first day of each and every month during the First Agreement Year, the TMO shall pay to the City not less than the sum of (x)(i) \$21,000,000 plus (ii) \$5,000,000 multiplied by (y) eight and thirty-three hundredths percent (8.33%) plus Emerging Media Fees.

(d) Other Agreement Years. On or before the first day of each and every month, commencing on the January 1 following the end of the First Agreement Year, during each Agreement Year, the TMO shall pay to the City not less than the Agreement Year MAG due during the current Agreement Year multiplied by nine and five tenths percent (9.5%).

(e) CPI Adjustment. The amounts of each of the Advertising MAG and the Sponsorship MAG shall be increased (but not decreased) on each January 1st commencing after the Other Facilities Commencement Date to an amount equal to the Advertising MAG or the Sponsorship MAG, as applicable, for the prior Agreement Year multiplied by a fraction, the numerator of which shall be the CPI for the January of the applicable Agreement Year and the denominator for which shall be the CPI for the month of January immediately following the Other Facilities Commencement Date.

(f) Reconciliation. Within thirty (30) days after the end of each Fee Period, the TMO shall calculate, in accordance with Section 4.1.3, the amount of each of Sponsorship Percentage Fees, Emerging Media Fees and Advertising Percentage Fees for the applicable Fee Period.

- (i) If the amount of any of the Sponsorship Percentage Fees due for the applicable Fee Period is greater than the amount of the Sponsorship MAG paid by TMO to the City for such Fee Period, TMO shall remit the amount equal to the difference between the Sponsorship Percentage Fees due for such Fee Period and the Sponsorship MAG paid for such Fee Period to the City within such thirty-day period, along with the calculation of Sponsorship Percentage Fees, certified by the Chief Financial Officer of the TMO. If the amount of Sponsorship MAG or Sponsorship Percentage Fees paid by TMO to the City in any Fee Period is greater than the amount that was actually due for such Fee Period pursuant to the terms of this Agreement, the City shall grant TMO a credit against Fees due in the next succeeding Fee Period equal to the excess paid over the amount that was due; provided that any overpayment in the final Agreement Year shall be remitted by City to TMO.
- (ii) If the amount of any of the Advertising Percentage Fees due for the applicable Fee Period is greater than the amount of the Advertising MAG paid by TMO to the City for such Fee Period, TMO shall remit the amount equal to the difference between the Advertising Percentage Fees due for such Fee Period and the Advertising MAG paid for such Fee Period to the City within such thirty-day period, along with the calculation of Advertising Percentage Fees, certified by the Chief Financial Officer of the TMO. If the amount of Advertising MAG or Advertising Percentage Fees paid by TMO to the City in any Fee Period is greater than the amount that was actually due for such Fee Period pursuant to the terms of this Agreement, the City shall grant TMO a credit against Fees due in the next succeeding Fee Period equal to the excess paid over the amount that was due; provided that any overpayment in the final Agreement Year shall be remitted by City to TMO.
- (iii) If the amount of any of the Emerging Media Fees due for the applicable Fee Period is greater than the amount of the Emerging Media Fees paid by TMO to the City for such Fee Period, TMO shall remit the amount equal to the difference between the Emerging Media Fees due for such Fee Period and the Emerging Media Fees paid to the City for such Fee Period within such thirty-day period, along with the calculation of Emerging Media Fees, certified by the Chief Financial Officer of the TMO. If the amount of Emerging Media Fees paid by TMO to the City in any Fee Period is greater than the amount that was actually due for such Fee Period pursuant to the terms of this Agreement, the City shall grant TMO a credit against Fees due in the next succeeding Fee Period equal to the excess paid over the amount that was due; provided that any overpayment in the final Agreement Year shall be remitted by City to TMO.

4.1.3 Determination of Percentage Fees. For the TBIT Facilities Period as provided in Section 4.1.2(a) above, and thereafter, on or before the thirtieth (30th) day after the end of each of the Partial Agreement Year, the First Agreement Year and each Agreement Year following the First Agreement Year during the Term hereof, commencing with the first month after the end of the Partial Agreement Year, and ending on or before the thirtieth (30th) day of the calendar month immediately following the Expiration Date or earlier termination of this Agreement, TMO shall deliver to the City a report (the "**Sales Report**") certified as true and correct by an officer of TMO, and in such form and with such detail as the City may reasonably request, setting forth TMO's Gross Revenues and stating the amount of Approved Sponsorship Costs and Approved Emerging Media Costs during the period ending on the date of the previous Sales Report, and separately identifying all Gross Revenues derived by TMO from or at the Airport during such period from Advertising, Sponsorships and Emerging Media, and also identifying all amounts which have been excluded from the computation of Gross Revenues, together with the calculation of the amount of the Percentage Fees due by reason thereof. As described in Section 5.13, the City shall have the right, in addition to all other rights herein, to an Administrative Fee in the event TMO shall fail to submit such Sales Report in a timely manner. If TMO shall fail to provide the City by the thirtieth (30th) day after the end of each such period with the Sales Report complying with the requirements of this Section 4.1.3, then the City may invoice TMO for estimated Percentage Fees for the prior period in an amount equal to the Percentage Fees that would be payable for such period based on 1.5 times TMO's actual Gross Revenues from or at the Airport for the last period reported by TMO to the City, or if TMO has filed no such report with the City, then as estimated in good faith by the City. TMO shall, within five (5) days after its receipt of such invoice, pay the invoiced amount to the City; provided, however, that when TMO determines its actual Gross Revenues for the preceding period, TMO may tender the actual Percentage Fees payments to the City, but only if it is accompanied by the Sales Report for such prior period. The acceptance of such estimated Percentage Fees by the City, and the acceptance of any delinquent Sales Report by the City, shall be without prejudice to any of the City's rights under Article XI below. Any underpayment of Percentage Fees shall be paid with the Sales Report provided by TMO to the City covering the period for which estimated Percentage Fees has been paid together with a delinquency charge, for violation of the terms of this Agreement and as liquidated damages, of the late charge provided for in Section 4.9.2 plus interest on any unpaid amount from the date the estimated Percentage Fees became payable until payment has been received by the City, at the rate provided in Section 4.9.3. Any overpayment of Percentage Fees shall be credited by the City against the next Percentage Fees payable by TMO to the City.

4.1.4 Payment Definitions. The following capitalized terms shall have the meanings set forth below:

"Adjusted Sponsorship Gross Revenue" shall mean for any Fee Period, the Gross Revenues derived from Sponsorships during such Fee Period less Approved Sponsorship Costs amortized during such Fee Period.

"Advertising MAG" shall mean, for any period, the greater of (i) \$21,000,000, adjusted annually as provided in Section 4.1.2(e), or (ii) 85% of the Advertising Percentage Fees due in the prior Agreement Year.

“Advertising Percentage Fees” shall mean during any period, total Gross Revenues generated by Advertising at the Airport from Advertising multiplied by Seventy percent (70%).

“Approved Emerging Media Costs” shall mean the TMO’s actual, out-of-pocket costs of developing and providing an element of Emerging Media at the Airport up to the amount approved by the City pursuant to Section 5.1.5(a), which amount shall be amortized on a straight-line basis over the remaining term of this Agreement beginning on the date such element of Emerging Media is placed in service, provided however, that if TMO is reimbursed by a Sponsor for any costs of developing or providing an element of Emerging Media at the Airport, such reimbursed amount shall not constitute an Approved Emerging Media Cost. The amount of any Approved Emerging Media Costs incurred by TMO shall not reduce TMO’s required Investment Commitment. Only capitalized or capitalizable costs, determined in accordance with GAAP, may constitute Approved Emerging Media Costs, and operation and maintenance costs, costs of sales, commissions or indirect administrative or overhead costs shall not be included in Approved Emerging Media Costs.

“Approved Sponsorship Costs” shall mean the TMO’s actual, out-of-pocket costs of developing and providing a Sponsorship at the Airport up to the amount approved by the City pursuant to Section 5.2.1(d), which amount shall be amortized on a straight-line basis over the remaining term of the Sponsorship Agreement beginning on the date such element of Sponsorship is placed in service, provided however, that if TMO is reimbursed by a Sponsor for any costs of developing or providing a Sponsorship at the Airport, such reimbursed amount shall not constitute an Approved Sponsorship Cost. The amount of any Approved Sponsorship Costs shall not reduce TMO’s required Investment Commitment. Only capitalized or capitalizable costs, determined in accordance with GAAP, may constitute Approved Sponsorship Costs, and operation and maintenance costs, costs of sales, commissions or indirect administrative or overhead costs shall not be included in Approved Sponsorship Costs.

“Emerging Media Fee” shall mean the sum of (x) fifty percent (50%) of Adjusted Emerging Media Gross Revenues, plus, if implementation of the LAX Airport Network is approved by the City, (y) revenue generated by the LAX Airport Network (“Network Service Revenues”) substantially as provided in the TMO’s proposal dated October 17, 2013 in response to the RFP. “Adjusted Emerging Media Gross Revenues” shall mean all Gross Revenues recognized by TMO from sale of Emerging Media, other than Network Service Revenues, during a Fee Period, less the Approved Emerging Media Costs for such Fee Period.

“Fee Period” shall mean the TBIT Facilities Period, the Partial Agreement Year, the First Agreement Year, or an Agreement Year, as applicable.

“First Agreement Year” shall mean the calendar year commencing on the January 1st immediately following the end of the Partial Agreement Year and ending on the next succeeding December 31.

“Gross Revenues” shall mean all revenues recognized by TMO in accordance with generally accepted accounting principles, a TMO Party or any agent of TMO from its business at the Airport; provided, however, that to the extent that TMO demonstrates to the City’s

reasonable satisfaction that the following costs were incurred with respect to its operations at the Airport, the following costs shall be excluded from Gross Revenues: (a) commissions actually paid by TMO to a recognized advertising agency or media buying service that has a contractual relationship with an advertiser requiring the payment of such commissions; (b) sales or use tax levied by the City or the State of California, or pursuant to Federal law, and actually paid by TMO to the taxing authority in connection with its operations in the Licensed Area authorized by this Agreement; (c) amounts actually paid to TMO by its customers to reimburse TMO for its out of pocket cost paid to third parties for the installation of Advertising, development of Content or construction of Sponsorship Activations in the Licensed Area; (d) amounts actually refunded to Advertisers or Sponsors as reimbursement for interruption of service due to an Obstruction, or from Force Majeure, or from damage or destruction of an Advertising Display or other Media Element that was not caused, in whole or in part, by TMO's negligence or intentional misconduct, or from an electrical power outage to an Advertising Display or other Media Element that was not caused, in whole or in part, by TMO's negligence or intentional misconduct; (e) the amount of all sale refunds previously included in TMO's Gross Revenues and actually made by TMO; and (f) the proceeds from the sale of capital assets. The allocation of Gross Revenues relating to all sales by TMO of Advertising or Sponsorships that incorporate multiple locations that include both locations at the Airport and at locations not at the Airport shall be subject to the approval of the Executive Director, based upon a reasonable allocation methodology, in her or his sole determination. No deduction shall be made from Gross Revenues by reason of any credit loss sustained or financing discount that may be applicable by reason of the acceptance or use of credit and/or debit cards or by reason of any other credit arrangements. If any charge customarily made by TMO for goods or services is not assessed, charged or collected, irrespective of the reason therefor, then the full amount of TMO's customary charge therefor shall nevertheless be included in determining Gross Revenues. If TMO shows the percentage of Gross Revenues payable to the City as a separate charge to TMO's customers, then this separate charge must also be included in TMO's Gross Revenues. All computations in the determination of Gross Revenues shall be made in accordance with the terms of this Agreement.

For purposes of determining the Fees due the City under this Agreement from any City-approved Sponsorship Agreement, payments due the TMO under such Sponsorship Agreement shall be averaged so that they are allocated and recognized as Gross Revenues under this Agreement in equal annual amounts (pro-rated for any partial Fee Period) over the term of the Sponsorship Agreement (including the portion of the term, if any, of the Sponsorship Agreement that extends beyond the term of this Agreement), regardless of the structure of the cash payments due to be paid to the TMO pursuant to the applicable Sponsorship Agreement, and TMO shall accept no cash or any other form of payment due pursuant to the Sponsorship Agreement that is allocable to the period beyond the term of this Agreement.

"Partial Agreement Year" shall mean the period commencing on the Other Facilities Commencement Date and ending on the next succeeding December 31.

"Sponsorship MAG" shall mean, for any period, the greater of (i) \$5,000,000, adjusted annually as provided in Section 4.1.2(e), or (ii) 85% of the Sponsorship Percentage Fees due in the prior Agreement Year.

"Sponsorship Percentage Fees" shall mean the sum of:

(x) An amount equal to twenty-five percent (25%) of Adjusted Sponsorship Gross Revenues up to five million dollars (\$5,000,000) (the "*Tier 1 Sponsorship Level*"), adjusted annually as provided in Section 4.1.2(e); plus

(y) An amount equal to sixty-five percent (65%) of Adjusted Sponsorship Gross Revenues of greater than five million dollars (\$5,000,000) (the "*Tier 2 Sponsorship Level*" and, with the Tier 1 Sponsorship Level, the "*Sponsorship Levels*"), adjusted annually as provided in Section 4.1.2(e).

"TBIT Facilities Period" shall mean the period beginning on the first day of the month following the Effective Date and ending on the day immediately preceding the Other Facilities Commencement Date.

"TBIT Monthly Guarantee" shall mean for each month during the TBIT Facilities Period the greater of (x) an amount equal to \$350,000. The TBIT Monthly Guarantee for the calendar month in which the Other Facilities Commencement Date occurs shall be prorated by multiplying the TBIT Monthly Guarantee by a fraction, the numerator of which is the number of days in the month of the Other Facilities Commencement Date that have elapsed through and including such date, and the denominator of which is the number of days in the month of the Other Facilities Commencement Date.

4.2 Annual Reports

4.2.1 Annual Financial Report. Within one hundred twenty (120) days after the end of each Agreement Year during the Term, TMO shall submit to the Executive Director an unqualified fiscal year-end financial report (the "*Annual Report*") audited and certified by an independent Certified Public Accountant showing Gross Revenues achieved with respect to the prior Agreement Year. The Annual Report shall be delivered to City at the e-mail address concessionsreporting@lawa.org or such other address as the Executive Director may designate in writing. The receipt by City of any monthly or annual report, accounting or statement or any payment of Percentage Fees or other Fees for any period shall not bind City as to the correctness of the monthly or annual report accounting or statement or the correctness of any payment. If such Annual Report shows that the total Base Fees actually paid by TMO with respect to the prior Agreement Year was less than the Base Fees payable with respect to such Agreement Year, then TMO shall immediately pay to the City such deficiency, together with the late charge provided for in Section 4.9.2, plus interest on such deficiency for each day from the date such Base Fees became due and payable until payment has been received by the City, at the rate provided in Section 4.9.3. If such Annual Report shows that the Base Fees actually paid by TMO with respect to such prior Agreement Year exceeded the Base Fees payable with respect to such Agreement Year, and if such Annual Report is acceptable to the City, then on the issuance by the City to TMO of a credit memorandum in the amount of such excess, such excess shall be applied as a credit against the amounts next coming due from TMO to the City under this Agreement. Notwithstanding anything to the contrary herein, in no event will the Base Fees payable to the City in any Agreement Year be less than the MAG for such Agreement Year. In addition, TMO shall

submit to the City such other financial or other reports as the Executive Director may reasonably require. TMO shall include with each Annual Report a certification by the chief financial officer or other authorized representative of TMO acceptable to the Executive Director, that the information provided is accurate and complete.

4.2.2 Other Annual Reports. From time to time on the written request of the Executive Director (but not more often than one (1) time per calendar year), TMO shall furnish to City, within sixty (60) days following receipt of any such request (but no earlier than one hundred twenty (120) days after the close of the applicable taxable year), detailed financial statements of its Guarantor, including a consolidated balance sheet, a consolidated income statement and notes to the financial statements, prepared as of the close of Guarantor's taxable year (the "*Financial Statements*"), and such other reasonable financial and statistical reports as Executive Director may, from time to time, require. Said Financial Statements shall be reviewed by an independent Certified Public Accountant.

4.3 Books and Records. TMO shall establish and maintain a business office in the County of Los Angeles. TMO shall maintain in said office or in such other office approved by the Executive Director, during the term of the Agreement, its permanent books and records as would normally be examined by an independent Certified Public Accountant pursuant to generally accepted auditing standards in performing a separate audit or examination of TMO's Gross Revenues (herein "*Books and Records*"), including but not limited to general ledgers, subsidiary ledgers, trial balances, sales journals, invoices, chart of accounts, tax reports filed with federal, state, county, city or other agencies, all Media Agreements and all other supporting documents wherein are kept all entries and information necessary to perform an audit of (i) Fees, payments, and other charges paid and payable to City, (ii) all financial information relating to the TMO's Gross Revenues and all other transactions of TMO at the Airport, (iii) any and all construction costs in connection with any construction performed by or on behalf of at the Airport, and (iv) any other matters relating to the performance of TMO's obligations under this Agreement. (TMO shall maintain separate bank accounts for revenues from its operations under this Agreement, and no revenues from any other source shall be deposited in such accounts.) City may, in the Executive Director's sole discretion and with reasonable notice to TMO, require TMO to provide City with access to all Books and Records and other information under this Agreement. City's right to access such records and information shall survive seven (7) years beyond the expiration of each Agreement Year under this Agreement. Unless otherwise authorized by the Executive Director in writing, TMO shall retain all Books and Records and any other information necessary to perform an audit as described in this Agreement during such seven (7) year period, whether or not the Term has expired or been earlier terminated; provided, however, that if prior to the expiration of such seven (7) year period, any audit, review or investigation is commenced by the City, or any claim is made or litigation is commenced relating to this Agreement by the City, such Books and Records shall continue to be maintained by TMO, and the City shall continue to have the right to inspect such Books and Records in the manner stated above, until the audit, claim or litigation is finally resolved (including the determination of any and all appeals or the expiration of time for an appeal), whether or not the Term has expired or been earlier terminated. In the event that the City determines, in its reasonable discretion, that any exclusions, deductions or allocations reducing Gross Revenues are not supported or substantiated by such Books and Records, all such amounts shall be deemed Gross Revenues for purposes of determining the Percentage Fees payable to the City.

4.3.1 Examination of Books and Records. City's accountants or representatives may examine the Books and Records of TMO. TMO shall produce these records for inspection and copying at an office of TMO located within a fifteen (15) mile radius of the Airport or, at Executive Director's option, City's offices within twenty (20) days of Executive Director's request. In the event TMO does not make available to City the pertinent books and records at the Airport or a TMO office located within a fifteen (15) mile radius of the Airport within the aforesaid twenty (20) days as set forth in this Section, TMO agrees to pay for all travel costs, housing, meals, and other related expenses associated with the audit of said books, reports, accounts, and records by City at TMO's place of records at any time during its ordinary business hours. If TMO's Books and Records have been generated from computerized data, TMO agrees to provide City with extracts of the data files in a computer readable format or other suitable alternative computer data exchange formats. City shall have the right to interview such employees and representatives of TMO as City deems necessary to conduct and support the audit.

4.3.2 Audit; Deficiencies. If it is determined by City as a result of an audit that there has been a deficiency in the payment of any Fees (a "**Deficiency**"), then such Deficiency shall immediately become due and payable within thirty (30) days of written demand by City. In connection with any audit conducted by City, deficiencies ascertained by applying percentages of error obtained from such testing and sampling to the entire period of reporting under examination will be binding upon TMO. If TMO believes that any audit performed on behalf of City has disclosed an isolated error and wishes to increase the sample size of the audit or perform a detail audit, TMO shall pay City for any additional audit procedures. In the event any deficiencies in the amount of five percent (5%) or greater of any item being audited with respect to Fees payable to City hereunder is ascertained by City, TMO agrees to pay City for the cost of the audit and the Deficiency, and the provisions of Section 4.9.2 (Late Charge) and Section 4.9.3 (Interest) shall apply to the amount of the Deficiency.

4.3.3 Confidentiality. The execution of a confidentiality agreement shall not be a prerequisite to the conduct of any audit by City hereunder. However, to the maximum extent permitted under applicable Laws, all information gained by City from such examinations shall be confidential and shall not be disclosed other than as may be required by court order, other legal process or pursuant to the provisions of the California Public Records Act; provided, however, the foregoing shall not prevent the use of such information in connection with any litigation between the City and TMO; provided, further, to the extent commercially reasonable under the then-existing circumstances, City shall use commercially reasonable efforts to give written notice to TMO in advance of such disclosure to afford TMO the opportunity to attempt to secure available protective measures to safeguard such information.

4.4 No Abatement. City and the federal government shall each retain the right to restrict access to areas "airside" of security checkpoints to ticketed passengers and Airport/airline personnel. City shall retain the right to restrict access to any areas in the Airport, including the Facilities, for purposes of construction of City-approved improvements. During such actions, TMO shall not be entitled to any abatement or adjustment of Fees, payments or any other

compensation, except as expressly provided in Section 10.1 with respect to the abatement of MAG.

4.5 Additional Charges. In addition to the Fees payable to City hereunder, City reserves the right, in the Executive Director's reasonable discretion, to impose additional charges on TMO in the event that the Executive Director determines that TMO's activities or operations cause City to incur additional expenses in its operation of the Facilities within which the Display Locations or Licensed Areas are a part. If so imposed, the Executive Director shall periodically invoice TMO for such additional charges, and TMO shall pay such charges as Additional Fees within thirty (30) days following receipt of such invoice.

4.6 Utilities. Except as otherwise provided in this Section 4.6 and Section 8.6, utilities with respect to the Display Locations, including electricity and telecommunications, shall be separately metered as to the Display Locations, at TMO's expense, and shall be invoiced directly to TMO. City shall supply electricity to the Licensed Area at no cost to TMO. TMO shall be responsible for reading all of such separate meters. If Executive Director agrees that it is impossible to separately meter a given utility with respect to all or a portion of the Display Locations, then TMO shall pay to City as Additional Fees a reasonable and non-discriminatory pro-rata amount of said utility invoice which includes said Display Locations, based upon Executive Director's good faith estimate of TMO's share thereof. Executive Director's estimate may be based upon any reasonable and non-discriminatory criteria designated by Executive Director in Executive Director's good faith business judgment. City shall invoice TMO for amounts due and TMO shall pay the same within thirty (30) days of receipt of City's invoice.

4.7 Refuse Removal. TMO shall comply with the provisions of Section 5.8 with regard to the disposition of trash and garbage, waste reduction and recycling. City may designate garbage or refuse disposal areas at each Facility for use by concessionaires. City reserves the right to charge, and in such event, TMO shall pay to City as Additional Fees, a reasonable and non-discriminatory pro-rata amount of the cost for segregation and/or removal of garbage and refuse from designated garbage or refuse disposal areas based upon Executive Director's good faith estimate of TMO's share thereof. Executive Director's estimate may be based upon any reasonable and not unjustly discriminatory criteria designated by Executive Director in Executive Director's good faith business judgment. City shall invoice TMO monthly for amounts due and TMO shall pay the same to City as Additional Fees within thirty (30) days of receipt of City's invoice.

4.8 Other Fees and Charges. If City has paid any sum or sums or has incurred any obligations or expense which TMO had agreed to pay or reimburse City for, or if City is required or elects to pay sum(s) or ensure obligation(s) or expense(s) by reason of the failure, neglect or refusal of TMO to perform or fulfill any of the conditions, covenants or agreements contained in the Agreement, or as a result of an act or omission of TMO contrary to said conditions, covenants, and agreements, TMO shall pay the sum(s) so paid or the expense(s) so incurred (including all interest, costs, damages and penalties, and the same may be added to any installment of the fees and charges thereafter due hereunder), plus an administrative fee equal to fifteen percent (15%) of the sum(s) so paid or expense(s) so incurred to compensate the City for its administrative expenses, as Additional Fees recoverable by City in the same manner and with like remedies applicable to any other component of Fees hereunder.

4.9 Method of Payment. The procedure for the payment of the Fees shall be as follows:

4.9.1 Payment Location. All Fees and Additional Fees payable hereunder shall be paid to the City of Los Angeles, Department of Airports, either by wire transfer of immediately available funds to City's bank account as designated the Executive Director in writing or by mail at Post Office Box 92216, Los Angeles, California 90009-2216, at the election of TMO, unless and until City designates some other party to receive or place for the payment of Fees and Additional Fees. All such payments shall be made in lawful money of the United States and through a domestic branch of a United States financial institution, without demand, set-off or deduction of any kind.

4.9.2 Late Charges. Notwithstanding any other provision of this Agreement to the contrary, TMO hereby acknowledges that late payment to City of Fees, or other amounts due hereunder, will cause City to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. If any Fees or other sums due from TMO are not received by City within ten (10) days after their due date, then TMO shall pay to City a late charge equal to three percent (3%) of such overdue amount. City and TMO hereby agree that such late charges represent a fair and reasonable estimate of the cost that City will incur by reason of TMO's late payment and shall not be construed as a penalty. City's acceptance of such late charges shall not constitute a waiver of TMO's Default with respect to such overdue amount or stop City from exercising any of the other rights and remedies granted under this Agreement. Unpaid late charges that accrue may be compounded monthly at the City's sole election.

4.9.3 Interest. Any installment of Fees and any other sum due from TMO under this Agreement which is not received by City within ten (10) days from when the same is due shall bear interest from the date such payment was originally due under this Agreement until paid at the lesser of (a) an annual rate equal to the maximum rate of interest permitted by law, or (b) fifteen percent (15%) per annum. Payment of such interest shall not excuse or cure any Default by TMO.

4.9.4 Prepayment. Notwithstanding anything to the contrary contained in this Agreement, in the event TMO shall fail to pay any Fees when due hereunder, City shall have the right to require TMO to pay the monthly MAG payment, and all other amounts payable by TMO to City under this Agreement quarterly in advance of when such payments would otherwise be due. Such prepayment will be based on the highest monthly Fees previously due from TMO under this Agreement. Such right shall be exercised by a written notice from City to TMO, which notice may be given any time after such default by TMO, regardless of whether the same is cured by TMO. Nothing in this Section shall limit City's other rights and remedies under this Agreement.

4.10 Taxes. TMO shall pay all taxes and assessments of whatever character that may be levied or charged upon the rights of TMO to use the Display Locations and the Licensed Area (or any portion thereof), or upon TMO's Improvements, fixtures, equipment or other property thereon, or upon TMO's operations in connection with this Agreement. In accordance with California Revenue and Taxation Code Section 107.6(a), the City states that by TMO's

executing this Agreement and accepting the benefits thereof, a property interest may be created known as a "possessory interest" and such property interest may be subject to property taxation. TMO, as the party in whom the possessory interest is vested, may be subject to the payment of the property taxes levied upon such interest. TMO shall protect, defend, indemnify and hold harmless City and City Agents from and against Claims incurred by or asserted against City or any City Agent in connection with any and all present or future taxes and assessments of whatever character that may be levied or charged upon the rights of TMO to use the Display Locations and the Licensed Area (or any portion thereof), or upon TMO's Improvements, fixtures, equipment or other property thereon, or upon TMO's operations in connection with this Agreement.

4.11 Faithful Performance Guarantee. TMO shall furnish the FPG to City no later than ten (10) Business Days after the Effective Date of this Agreement. The FPG shall be provided at TMO's sole cost and expense, and TMO shall keep the FPG in full force and effect and available during the complete term of this Agreement (including any unauthorized hold over period) and for thirty (30) days after the surrender of possession of the Display Locations and the Licensed Area in accordance with the requirements of this Agreement. The FPG shall secure the faithful and timely performance by TMO of all terms, provisions, and covenants contained in this Agreement, including, but not limited to, the payment of the Fees (including any Percentage Fees), Additional Fees, the Storage Rent (as defined in Exhibit "E"), and any other specified compensation. Such FPG shall be separate from any other guarantee(s) required by City.

4.11.1 Commencing on January 1, 2015 and each January 1st thereafter during the Term, the FPG Amount shall be adjusted to equal three (3) months of the MAG for such Agreement Year then beginning; provided, however, that in no event shall the FPG Amount as so adjusted be less than the Initial FPG Amount. Such adjustment shall be made within thirty (30) days following TMO's submittal of the annual report for the prior Agreement Year.

4.11.2 The FPG shall be in the form of an irrevocable standby letter of credit substantially in the form of Exhibit "S", which shall be self-renewing with an "evergreen clause" that renews the credit from year to year without amendment, subject to termination upon sixty (60) days written notice to City, and issued by an issuer acceptable to City, with offices in Los Angeles, California. The LOC shall allow for partial and multiple drawings by City, and must have an expiry date consistent with the ability to make such drawings for the full period required hereunder. The LOC, FPG and all amendments increasing the FPG Amount must be approved as to form by the City Attorney. If, at any time during the term of this Agreement, the issuer of the LOC shall, in the opinion of Executive Director, become unacceptable due to a decline in credit quality, the Executive Director shall have the right to require a replacement LOC which TMO shall furnish to the satisfaction of Executive Director within thirty (30) days after written notice to do so.

4.11.3 Any amendments to the FPG relating to the adjustment of the FPG Amount shall be delivered by TMO to City within thirty (30) days following the effective date of such adjustment. If, for any reason, said FPG is not provided by TMO or is not thereafter maintained in sufficient amount throughout the Term hereof, City, subject to the notice requirements of this Agreement may terminate this Agreement at any time upon

giving TMO ten (10) Business Days prior written notice. Upon the expiration or earlier termination of this Agreement, and if TMO has satisfied all of its obligations to City hereunder, City shall relinquish to TMO said FPG following such expiration or earlier termination and satisfaction of all obligations to City. The FPG shall be submitted to:

Revenue Accounting
Department of Airports
P.O. Box 92214
Los Angeles, CA 90009

V. OPERATING STANDARDS

5.1 Operating Standards. This Article pertains to TMO's operational obligations. The operating standards set forth in this Article V are minimum operating standards, and are in addition to the operating standards set forth in the applicable Business and Operations Plan. The parties agree that TMO's performance of its obligations under this Article V with respect to the monitoring and enforcement of the operating standards for terminal media concession operations at the Airport is extremely important to City, and that TMO's failure to perform those activities will result in administrative and monitoring expenses to City and its staff, which may be charged to TMO as Additional Fees in the discretion of the Executive Director.

5.1.1 Display Contents. Subject to (x) the rights of the City as set forth in this Agreement and (y) the restrictions set forth in Sections 1.1, 1.2 and 5.2 and this Section 5.1, TMO shall have exclusive, complete and sole control over the Advertising to be placed on the Advertising Displays, the Content of the Digital Activations, and the Content of the Sponsorship Packages. The rights of TMO, as aforesaid, are subject to the following:

(a) TMO shall provide the Executive Director with a copy of all proposed Advertising at least ten (10) Business Days prior to its installation in or display on a Display Location or other Media Element. If the Executive Director does not disapprove of such Advertising within such ten Business Day period, such Advertising shall be deemed approved by the Executive Director. An Airport by its nature is a family environment in which the presence of children may reasonably be expected at all times. TMO shall insure that all Advertising that it accepts for the Display Locations conforms to standards of good taste which generally prevail in the placing of commercial advertising in public places. TMO shall not display or otherwise produce or publish any of the following types of Advertising:

- (i) Advertising which is obscene or indecent, or promotes hatred, bigotry, violence or intolerance, or which is offensive to the moral standards of the community or contrary to prevailing standards of adults in the greater metropolitan area of the City of Los Angeles as to suitability for display to a captive audience which include minors;
- (ii) Advertising which is deceptive, false or misleading in any way;

- (iii) Advertising which proposes an illegal transaction;
- (iv) Any Advertising which is illegal under applicable Law, including without limitation, under the Lanham Act, California trademark and unfair competition laws, the patent and copyright laws of the United States, and California Business and Professions Code Sections 17200 and 17500;
- (v) Advertising which in any way reflects negatively on the character, integrity or standing of any individual, firm or corporation;
- (vi) Political Advertising or Advertising of sexual contraceptives, tobacco, or adult-oriented businesses;
- (vii) Content that violates any Intellectual Property rights of a third party; or
- (viii) Advertising of (x) any rental car company that is not a concessionaire of the Airport, or (y) any automobile parking lot or automobile parking garage that is not located on the Airport.

(b) The City reserves the right, in its reasonable discretion, to further restrict or prohibit the content of Advertising copy in furtherance of any legitimate, substantial governmental interest. The City shall have no liability to TMO for requiring TMO to refuse or remove Advertising on the City's exercise of its rights under this paragraph. The Executive Director shall have the absolute right and authority to remove any Advertising which is placed anywhere other than in a Display Location, or which was not submitted for the Executive Director's approval or which was disapproved by the Executive Director, or which is not in accordance with the Advertising submitted for the Executive Director's approval, or which is prohibited in accordance with the provisions of this Section.

(c) The Executive Director may disapprove any Advertising Display or other Media Element submitted for approval by TMO upon determining that the structure or placement of such display would interfere with or impede the use of the Facilities for Airport purposes, including, without limitation, the City's use or operation thereof, the convenience and comfort of the traveling public within the areas adjacent to such Advertising Display or other Media Element, or that the structure or placement of any such display would be incompatible with the design and décor of the Facilities. The Executive Director may disapprove any Advertising submitted for approval by TMO upon determining that such Advertising is prohibited by the provisions of Section 5.1.1(a) above. The Executive Director shall have the absolute right and authority to remove any Advertising Displays or other Media Elements which are placed anywhere other than in a Display Location, or which were not submitted for the Executive Director's approval, or which are not in accordance with the displays submitted for the Executive Director's approval, or which are prohibited in accordance with the provisions of this Section.

TMO shall pay or reimburse the City the cost of removing any such Advertising Displays or other Media Elements if invoiced by the City, and such invoice shall be treated the same as Additional Fees due under this Agreement.

(d) TMO's Media Agreements at the Airport shall in no way bind the City as to the Advertising to be displayed nor shall such Media Agreements obligate the City to provide or approve Advertising Displays for TMO's Advertisers, except as may be expressly provided herein. All such Advertising at the Airport shall be subject to approval of the Executive Director as to content and form pursuant to the standards set forth in Section 5.1.1(a) of this Agreement and all of TMO's Media Agreements shall so state.

(e) TMO shall ensure that any audio broadcast from any Advertising Display or other Media Element (including without limitation the Iconic Media Structures) does not interfere with any public address system or announcements made by or on behalf of the City and that the Content of such audio broadcasts conforms to standards of good taste which generally prevail in public places. The Executive Director in her or his sole discretion may require TMO either (x) to limit the volume of any such audio broadcast or (y) to refrain from broadcasting audio content designated by the Executive Director.

5.1.2 Display Equipment Specifications. Advertising Displays and other Media Elements shall conform to the following specifications:

(a) TMO acknowledges that it is the intent of the parties that there shall never be any unlighted backlit Advertising Displays or any dark or deactivated Advertising Displays or other Media Elements except for ordinary maintenance or repair of such Advertising Displays or Media Elements, or as a result of a power outage not caused by TMO or a TMO Party. TMO shall promptly develop and actively solicit sale of all Advertising Displays and other Media Elements and shall place appropriate public service advertisements or "filler" material in any empty space. Any and all filler shall be replaced upon request of the Executive Director. The City reserves the right to use any unsold Advertising displays or other Media Elements for City promotions.

(b) Advertising Displays, Sponsorship Activations and other Media Elements shall not obstruct or interfere with the flow of passenger traffic in the Facilities or wayfinding, amenity or informational signage.

(c) Advertising Displays, Sponsorship Activations and other Media Elements shall not be mounted in a manner that might limit passenger's use and access to wayfinding, amenity or informational signage.

(d) All Advertising Displays, Sponsorship Activations, Digital Activations and other Media Elements shall conform with all applicable ADA Requirements.

(e) All Advertising Displays, Sponsorship Activations, Digital Activations and other Media Elements shall be subject to the City's Design and Construction Handbook, as in effect from time to time.

5.1.3 Digital Media Standards. TMO shall comply with and shall cause all third parties to whom TMO grants rights with respect to information and data under this Agreement to comply with all applicable Laws regarding the protection, use and maintenance of such information and data, expressly including each of the requirements set forth below:

(a) Viruses. TMO represents and warrants that (a) TMO shall use commercially reasonable efforts to ensure the services, including any Content or other information, provided by TMO pursuant to this Agreement are free from viruses, spyware, and other similar harmful and destructive code, and (b) TMO shall not insert into any Content or City system (which shall include any City technical infrastructure located at the Airport, including the infrastructure associated with Advertising Displays or other Media Elements, including the Iconic Media Structures) provided hereunder any Destructive Mechanisms and shall not invoke such mechanisms at any time, including upon expiration or termination of this Agreement for any reason.

(b) In General. TMO will maintain and enforce information and data privacy and security procedures with respect to its access to, use and storage of all City Data and Personal Data that (a) are at least equal to industry standards taking into consideration the sensitivity of the relevant City Data or Personal Data, and the nature and scope of the services to be provided, (b) are in accordance with the City's reasonable security requirements, (c) comply with all applicable international, foreign, federal, state and local Laws, and (d) provide reasonably appropriate administrative, technical, and physical safeguards to protect against accidental or unlawful destruction, loss, alteration or unauthorized disclosure, access or use of the City Data and Personal Data. Without limiting the generality of the foregoing, TMO will take all reasonable measures to secure and defend its location and equipment against "hackers" and others who may seek, without authorization, to modify or access TMO systems or the information found therein without the consent of the City. TMO will periodically test its systems for potential areas where security could be breached. TMO will report to the City immediately any breaches of security or unauthorized access to TMO systems that TMO detects or of which it becomes aware. TMO will use diligent efforts to remedy such breach of security or unauthorized access in a timely manner and deliver to the City a root cause assessment and future incident mitigation plan with regard to any breach of security or unauthorized access affecting City Data.

(c) Personal Data. In connection with this Agreement and its performance hereunder, TMO may be provided or obtain, from City, users of the Facilities or otherwise, Personal Data, pertaining to Airport users and to City's current and prospective personnel, directors and officers, agents, subcontractors, investors, and customers and may need to Process such Personal Data and/or transfer it, all subject to the restrictions set forth in this Agreement and otherwise in compliance with all applicable foreign and domestic Laws for the sole purpose of performing the Permitted Uses under this Agreement.

(d) Treatment of Personal Data. Without limiting any other warranty or obligation specified in this Agreement, and in particular the confidentiality provisions of this Section, during the Term of this Agreement and thereafter in perpetuity, TMO will not gather, store, log, archive, use, or otherwise retain any Personal Data in any manner and will not disclose, distribute, sell, share, rent, or otherwise transfer any Personal Data to any third-party, except in accordance with Law and as expressly required to perform its obligations in this Agreement or as TMO may be expressly directed or permitted in advance in writing by City. TMO represents and warrants that TMO will use and Process Personal Data only in compliance with (a) this Agreement, (b) City's then current privacy policy, and (c) all applicable Laws (including, but not limited to, current and future Laws relating to spamming, privacy, confidentiality, data security, and consumer protection, including California Civil Code Section 56.10 and the California Business and Professions Code, Sections 22575-22579) (collectively, the "*Privacy and Security Laws*").

(e) Retention of Personal Data. Except pursuant to separate agreements with customers or users of its facilities or services relating to retention or reuse of Personal Data, TMO will not retain any Personal Data for any period longer than necessary for TMO to fulfill its obligations under this Agreement. As soon as TMO no longer needs to retain such Personal Data in order to perform its duties under this Agreement, TMO will promptly return or destroy or erase all originals and copies of such Personal Data.

(f) Compelled Disclosures. To the extent required by applicable Law, the TMO may disclose Confidential Information in accordance with such Law, subject to the following conditions: as soon as possible after becoming aware of such Law and prior to disclosing Confidential Information pursuant thereto, the TMO will so notify the City in writing and, if possible, the TMO will provide the City notice not less than ten (10) Business Days prior to the required disclosure. The TMO will use reasonable efforts not to release Confidential Information pending the outcome of any measures taken by the City to contest, otherwise oppose, or seek to limit such disclosure by the TMO and any subsequent disclosure or use of Confidential Information that may result from such disclosure. The TMO will cooperate with and provide assistance to City regarding such measures. Notwithstanding any such compelled disclosure by the TMO, such compelled disclosure will not otherwise affect the TMO's obligations hereunder with respect to Confidential Information so disclosed.

(g) Compliance with Federal and State Confidentiality Requirements. The City is subject to applicable federal and state Laws and TMO agrees to maintain the confidentiality of all such records and information in accordance with such Laws.

(h) City Data. All of the City Data to which TMO has access, or which is otherwise provided to TMO under this Agreement, shall be and remain the property of City and City shall retain exclusive rights and ownership thereto. The City Data shall not be used by TMO for any purpose other than as required or expressly permitted under this Agreement, nor shall such City Data or any part of such City Data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by TMO or commercially

exploited or otherwise used by or on behalf of TMO, its officers, directors, employees, or agents, except as expressly permitted under this Agreement.

(i) Security Breach. TMO shall notify City of any security, or suspected security, breach of any City Data or Confidential Information or data covered under applicable federal regulations set forth in 12 C.F.R. Part 30, or under California Civil Code 1798.82, or any other breach of Confidential Information immediately following discovery, if the information was, or is reasonably believed to have been acquired by an unauthorized person. Notification must be given in the most expedient time possible and without unreasonable delay. Written confirmation must be sent within three (3) days of discovery or notification of the breach or suspected breach.

(j) Additional Procedures in the Event of Security Breach of Personal Data. Upon City's determination that a misuse or security breach of Personal Data has occurred or is reasonably possible, TMO shall fully cooperate with City in rectifying any misuse, including notifying all affected City customers. City shall determine, in its sole discretion, the content and means of delivery of the customer notice. TMO will bear all reasonable costs and expenses for mitigation actions, to the extent required by Law, incurred as a result of security breach primarily caused directly or indirectly by TMO, including but not limited to, the administrative cost of opening and closing accounts, printing new checks, embossing new cards, notice, print and mailing, and obtaining credit monitoring services and identity theft insurance for City customers whose Personal Data has or may have been compromised.

(k) Additional Procedures For the Identification of Possible Instances of Identity Theft. TMO acknowledges that City has certain obligations to identify patterns, practices, and specific forms of activity that indicate the possible existence of identity theft (defined as fraud committed using the identifying information of another person), pursuant to Section 114 of the Fair and Accurate Credit Transactions Act of 2003 and its implementing regulations promulgated by the Office of the Comptroller of the Currency, 12 C.F.R. Part 41. TMO, to the extent that it holds or otherwise has access to data that is subject to the Fair and Accurate Credit Transactions Act, agrees to establish, maintain and update reasonably effective policies and procedures to detect, prevent, and mitigate the risk of identity theft, and to promptly notify and report to City upon request, any instances where TMO detects potential identity theft in the course of its duties pursuant to this Agreement. TMO further agrees to immediately report to City any confirmed instances of identity theft. In furtherance thereof, TMO agrees to be guided by the examples of identity theft "Red Flags" (defined as a pattern, practice, or specific activity that indicates the possible existence of identity theft) set forth in Supplement A to Appendix J to 12 C.F.R. Part 41. Upon request by City, TMO agrees to confirm in writing and, when specified, demonstrate to City its compliance with the requirements of this Section 5.1.3.

5.1.4 Operation of Iconic Media Structures. The grant to TMO of the license to use, operate, maintain and manage the Iconic Media Structures is subject to the following conditions:

(a) The Content displayed on each Iconic Media Structure shall be limited as provided on Exhibit "R" attached hereto, except as may otherwise be approved in writing by the Executive Director. At all times, the "Time Tower" shall show the accurate local time.

(b) TMO shall deliver no less than one (1) hour of Customized Content, in addition to Advertising or Sponsorship Content, for each Iconic Media Structure for each Agreement Year during the Term. The cost of developing such Customized Content shall not offset any portion of TMO's required Investment Commitment or Reinvestment Commitment. Such Customized Content shall be subject to approval by the Executive Director in her or his sole and absolute discretion. Subject to the terms and conditions of this Agreement, the Customized Content will be the sole and exclusive property of the City as a "work made for hire" (as such term is defined in 17 U.S.C. § 101) for City. The City will own all right, title, and interest, including ownership of all Intellectual Property rights, including rights of copyright and other proprietary rights in and to any Customized Content, and TMO will obtain and provide to City waivers of the rights, if any, of the creators of such Customized Content under VARA (as defined in Section 16.17 below). To the extent any Customized Content is not deemed to be a "work made for hire" by operation of law, TMO hereby irrevocably assigns, transfers, and conveys, and will cause any of TMO's employees and independent contractors who have responsibility for the creation of such Customized Content to irrevocably assign, transfer, and convey to the City all of TMO's or such employee's or independent contractor's (as applicable) right, title, and interest to the Customized Content, including all Intellectual Property rights, including rights of patent, copyright, trademark, trade secret, and other proprietary rights in and to the Customized Content, effective immediately upon the inception, creation, fixture, development, or reduction to practice thereof. TMO represents and warrants that it will enter into agreements with each of its employees or independent contractors who have responsibility for creating Customized Content pursuant to which each such employee or independent contractor shall irrevocably assign all of its right, title and interest in and to Customized Content to the City. TMO will, and will cause such employees and independent contractors to, execute any documents or take any other actions as the City may reasonably request to perfect the City's ownership interest in and to the Customized Content.

(c) All Content to be displayed by or on behalf of TMO at the Airport shall be subject to the prior review and approval of the Executive Director and shall be of first class quality. The Executive Director may condition her or his approval of the display of any Content, including TMO Content provided by TMO or a TMO's team member or subcontractor from its archives or other so-called "stock footage," on TMO and a TMO's team member or subcontractor, an Advertiser or a Sponsor having entered into an arm's length Advertising Agreement or Sponsorship Agreement, as applicable, that provides for payment to TMO of appropriate fees, for the promotion or display of any commercial Content.

(d) TMO shall ensure that each Iconic Media Structure is lit and displays Content approved by the Executive Director at all times that the Facilities are open to the public, except for maintenance or repair approved in advance and in writing

by the Executive Director or for unforeseen emergencies. TMO shall maintain the Iconic Media Structures and the supporting infrastructure in first class, state of the art condition and shall use its best efforts to repair or remedy any broken or malfunctioning Iconic Media Structure, supporting infrastructure or any component thereof within four (4) hours after notice of such problem, and none of the Iconic Media Structures shall be out of service more than four (4) times in any Agreement Year, unless granted an extension of such period by the Executive Director, in his or her reasonable discretion, and in all events, TMO shall use its best efforts to repair or remedy any out of service Iconic Media Structure, or element thereof, as promptly as possible under the circumstances, and TMO shall inform the Executive Director of the status of such efforts. If TMO does not commence and diligently prosecute the repair or remedy of any broken or malfunctioning Iconic Media Structure, supporting infrastructure or any component thereof within four (4) hours after notice of such problem, the City may proceed to repair or remedy any such problem, at TMO's expense, and charge TMO an additional 15% surcharge to recover administrative expenses.

(e) TMO shall employ or contract for persons familiar with and competent to operate, maintain and repair the Iconic Media Structures, and at least one such person shall be able at all times to respond to repair or remedy any broken or malfunctioning Iconic Media Structure, supporting infrastructure or any component thereof within one hour of being contacted, and TMO shall provide the name or names of such persons and their contact information to the Executive Director.

TMO shall use its best efforts to enter into a Sponsorship Agreement that is consistent with this Agreement with a Sponsor for each of the Iconic Media Structures within twelve (12) months after the Effective Date.

5.1.5 Operation of Emerging Media. TMO shall develop, install and operate the Emerging Media elements set forth on Exhibit "U" and in the approved Business and Operations Plans. Each element of Emerging Media shall be operational in accordance with the schedule set forth on Exhibit "U" or the applicable approved Business and Operations Plan.

(a) TMO shall grant the City a continuing, perpetual, non-exclusive license which shall survive termination of this Agreement to use all applications and other software developed by or on behalf of TMO for use at the Airport. Such license shall expressly provide that the City shall continue to have the right to use such applications and software after the termination of this Agreement. TMO shall provide a description of all Emerging Media to be provided by TMO at the Airport in a Business and Operations Plan and all Emerging Media shall be subject to the prior written approval of the Executive Director. TMO shall develop, install and operate all such Emerging Media in accordance with such approval. As part of the Business and Operations Plan, for each proposed new element of Emerging Media, TMO shall provide the City with the projected not to exceed cost to develop and provide such element of Emerging Media for review and approval by the City. Upon approval of such Business and Operations Plan, TMO's actual out-of-pocket capital costs incurred in developing and providing such element of Emerging Media, up to the not to exceed amount set forth in such approved

Business and Operations Plan, shall constitute "Approved Emerging Media Costs" and such amount shall be amortized on a straight-line basis over the remaining term of this Agreement, beginning on the date such element of Emerging Media is placed in service; provided that such not to exceed amount may be subject to negotiation between the City and TMO.

(b) TMO shall use diligent efforts to maintain all Emerging Media provided by TMO in full operation at all times that the Facilities are open to the public, except for unforeseen emergencies and necessary maintenance and repairs, and TMO shall employ or contract for persons familiar with and competent to operate, maintain and repair such Emerging Media. At least one such person shall be able at all times to respond to repair or remedy any broken or malfunctioning Emerging Media provided by TMO, supporting infrastructure or any component thereof within eight hours of being contacted, and TMO shall provide the name or names of such persons and their contact information to the Executive Director. TMO shall maintain the Emerging Media it provides and the supporting infrastructure in first class, state of the art condition and shall promptly repair or remedy any broken or malfunctioning element of its Emerging Media, supporting infrastructure or any component thereof after notice of such problem, and TMO shall use its best efforts to repair or remedy any out of service element of Emerging Media it provides, or element thereof, as promptly as possible under the circumstances.

(c) TMO represents and warrants to City that TMO shall, for the term of this Agreement, have sufficient rights in any and all Intellectual Property rights (including copyright, trademark, patent and all other such rights), relating to all Emerging Media provided by or on behalf of TMO and the elements thereof to develop, install and operate the Emerging Media hereunder, and TMO shall indemnify and defend and hold harmless the City against any Claims asserted by any party other than the City claiming that TMO's or City's use of the Emerging Media provided by TMO in accordance with the terms set forth herein infringes or misappropriates such third party's Intellectual Property rights.

(d) If a third party approaches the City with a proposal to provide an element of Emerging Media at the Airport that is not already provided by TMO, the Executive Director shall use diligent efforts to refer such third party to TMO and TMO shall evaluate such element of Emerging Media and, at TMO's sole option, TMO may incorporate such element of Emerging Media into TMO's operations at the Airport. If TMO shall determine not to incorporate such element of Emerging Media into its operations at the Airport, or if TMO shall not reach agreement with such third party within ninety (90) days after referral by the Executive Director, the City may, in its sole discretion, but shall not be required to, enter into a competitive process to procure such element of Emerging Media or negotiate directly with such third party to provide such element of Emerging Media at the Airport on such terms and conditions as shall be acceptable to the City. If a third party proposes to provide an element of Emerging Media at the Airport that is already provided by TMO in some respect, the Executive Director shall first consult with TMO and then make a determination, in his or her reasonable judgment, whether or not, in light of all of the existing facts and

circumstances then known, it is in the best interests of the City, the Airport and its tenants and customers to permit such third party to provide such element of Emerging Media.

5.1.6 TMO's Ownership of TMO Content. TMO and its licensors shall own all Intellectual Property rights and all other rights, title and interest in and to the TMO Content. The City shall acquire no rights therein other than those licenses specifically conferred in Section 5.1.7 of this Agreement.

5.1.7 License to Use TMO Content. TMO grants to the City a non-exclusive, non-transferable, royalty free license during the Term to use, copy, display, distribute and reproduce the TMO Content, provided that such TMO Content may be displayed solely at the Airport or used solely in conjunction with marketing and/or Advertising relating to the City, the Airport and/or any Airport-wide Concessions and Airport-wide Uses. The TMO Content shall not be used for sale or re-sale. The City may sublicense the foregoing rights provided that any sublicensee must agree in writing to be bound by the terms of this license and agree to the restrictions of use.

5.1.8 The City's Ownership of Foundational Content and Customized Content. The City and its licensors shall own all Intellectual Property rights and all other rights, title and interest in and to the Foundational Content and the Customized Content. TMO covenants and agrees that it will not, and will ensure that the TMO Parties will not, at any time challenge the City's or its licensors' exclusive ownership of the Intellectual Property rights in and to the Foundational Content and the Customized Content in any way. TMO shall ensure that each of the TMO Parties' access and use the Foundational Content and the Customized Content in accordance with the terms of this Agreement.

5.2 Approval of Sponsorships. Each proposed Sponsorship shall be subject to the approval of the City, which shall not be unreasonably withheld; provided, however, that it shall be reasonable for the City to withhold its consent to any Sponsorship if the Executive Director or the Board, as applicable, determines in their sole discretion that the Content of the proposed Sponsorship Activation or the actions of the proposed Sponsor are inconsistent with the terms of this Agreement or, in the judgment of the Executive Director or the Board, adversely affects the Airport. TMO's sole remedy for a dispute arising from the Executive Director withholding consent to a Sponsorship shall be an appeal to the Board. In the case of such an appeal, the Board shall have absolute and sole discretion to consent or withhold consent to any proposed Sponsorship. Sponsorships with a term of five (5) years or less and that do not extend beyond the term of this Agreement, or Sponsorships that do not involve the grant of naming rights to a Facility or any concourse of a Terminal, shall be subject to approval by the Executive Director. Each Brand Sponsorship, Sponsorship with a term of greater than five (5) years, Sponsorship Agreement with a term that extends beyond the term of this Agreement, or Sponsorship that involves the grant of naming rights to a Facility or concourse shall be subject to approval by the Board; provided, however that if the proposed term of such a Sponsorship Agreement extends beyond the term of this Agreement, additional City approvals may be required under applicable Law and other terms of this Agreement. Sponsorships may not include the grant of naming rights to the Airport or a Terminal building. No more than eight (8) Brand Sponsorships will be effective at any time.

5.2.1 In order to propose a Sponsorship for approval, TMO shall provide a description of the proposed Sponsorship that includes, at minimum, the following information (collectively, the "*Sponsorship Package*");

- (a) The name of the proposed Sponsor;
- (b) The term of the proposed Sponsorship;
- (c) The consideration to be paid by the Sponsor, including both monetary and non-monetary consideration, and an estimate of the value of the non-monetary consideration;
- (d) The projected not to exceed cost to develop and provide such Sponsorship, including Sponsorship Activation(s) and Digital Activation(s). Upon approval of the Sponsorship Package by the City (including the amount of the projected cost of providing such Sponsorship), TMO's actual out-of-pocket capital costs incurred in developing and providing a Sponsorship at the Airport up to the not to exceed amount set forth in the Sponsorship Plan shall constitute "*Approved Sponsorship Costs*" and such amount shall be amortized on a straight-line basis over the period of the Sponsorship; provided that such not-to-exceed amount may be subject to negotiation among the City, TMO and the proposed Sponsor;
- (e) A description of the Sponsorship Activation(s), Digital Activation(s) (if any), Entitlement(s) (if any), Exclusivity (if any), and Marketing Designation proposed to be granted to the Sponsor;
- (f) A description of the category of Exclusivity proposed to be granted to the Sponsor; no more than one Exclusive shall be granted for any category of Exclusivity, as set forth in the applicable Business and Operations Plan, for any designated Facility;
- (g) A description of the initial Content proposed to be displayed within the Display Locations; provided, however, that all Advertising and other Content shall be subject to the review and approval of the Executive Director as provided in Section 5.1(a); and
- (h) The proposed form of Sponsorship Agreement to be entered into between TMO and the Sponsor, including the provisions for termination of the Sponsorship Agreement at the request of the Executive Director for certain actions by the Sponsor, including activities that, in the Executive Director's reasonable judgment, adversely affect the City, or the bankruptcy or insolvency of the Sponsor.

5.2.2 The Executive Director shall use reasonable efforts to respond to the submission of the Sponsorship Package within twenty (20) Business Days, and the Board shall use reasonable efforts to respond to the submission of the Sponsorship Package within sixty (60) Business Days, following receipt from TMO. TMO shall, within twenty (20) Business Days following receipt from the Executive Director or the Board of any requested revisions to or comments regarding deficiencies of the Sponsorship Package, respond to the

Executive Director or the Board, as applicable, with a revised or supplemental Sponsorship Package which addresses such requested revisions, comments or deficiencies. The Executive Director shall use reasonable efforts to respond to any resubmission or supplement to the Sponsorship Package within fifteen (15) Business Days following receipt, and the Board shall use reasonable efforts to respond to any resubmission or supplement to the Sponsorship Package within sixty (60) Business Days following receipt. If the Executive Director or the Board, as applicable, shall fail to respond to any submission or resubmission of the Sponsorship Package within the specific time periods set forth in this Section 1.4, then TMO shall have a day for day extension in which to submit any revised or supplemental Sponsorship Package.

If the Executive Director withholds consent to approval of a proposed Sponsorship, the City shall deliver a written notice to the TMO stating the reasons for withholding such consent. Within fifteen (15) Business Days after TMO's receipt of such notice, TMO may appeal such determination by sending a written appeal to the Board, accompanied by the reasons that TMO believes that such determination should be reversed. If the TMO fails to appeal such determination within such fifteen Business Day period, then such determination may not be subsequently challenged by TMO or a potential Sponsor. The Board shall consider such appeal and either grant the appeal and approve the Sponsorship, which approval may be subject to reasonable conditions, or uphold the decision to withhold approval of the Sponsorship.

The Executive Director and the Board shall have the right to reasonably condition the approval of the Sponsorship Package on such further actions, undertakings or requirements to be performed by TMO as the Executive Director or the Board may deem necessary or appropriate. The approval of each Sponsorship Package issued by the Executive Director or the Board, as applicable, shall be in writing and shall become a part of this Agreement. TMO and each Sponsor shall enter into a separate Sponsorship Agreement for each Sponsorship, setting forth, among other things, the details of the approved Sponsorship Package, and providing for the assignment to and assumption by a successor terminal media concessionaire designated by the City of such Sponsorship Agreement if this Agreement expires or terminates prior to the termination of such Sponsorship Agreement.

5.2.3 Any Sponsorship Agreement which has an expiration date occurring after the termination of this Agreement shall: (1) include a statement that such Sponsorship Agreement is assignable to the successor terminal media operator upon the termination of this Agreement at the direction of the Executive Director if the successor terminal media operator chooses to accept the Sponsorship Agreement, and if the successor terminal media operator chooses not to accept the Sponsorship Agreement, it shall be terminated on the date that this Agreement terminates; and (2) require that the revenue to be received from said Sponsorship Agreement be evenly distributed throughout the term of the Sponsorship Agreement in accordance with the definition of Gross Revenues in Section 4.1.4. If the successor terminal media operator chooses to accept the assignment of such Sponsorship Agreement, the TMO shall take all necessary steps to assign the Sponsorship Agreement to the successor terminal media operator. The successor terminal media operator shall pay the TMO a fifteen percent (15%) commission on all remaining Gross Revenues from the transferred Sponsorship Agreement.

5.3 Staffing and Personnel.

5.3.1 Generally. TMO shall employ a full-time trained professional staff at all times during the Term of this Agreement of sufficient size, expertise, ability, suitability, and experience in Advertising, Sponsorship and Digital Activation to carry out all of its obligations and responsibilities under this Agreement. TMO shall maintain a sufficient number of operating staff on-site at the Airport as more particularly set forth in the applicable Business and Operations Plan. All such Personnel shall use skill and diligence in the conduct of business. All such Personnel, while on or about the Airport, shall be clean, neat in appearance and shall be appropriately attired, with badges or other suitable means of identification clearly visible. No Personnel, while on or about the Airport, shall use improper language, act in a loud, boisterous or otherwise improper way or be permitted to solicit business in an inappropriate manner. TMO shall ensure that all Personnel that interact with the public can adequately communicate with customers and are professional and courteous in interactions with the public. All Personnel shall have sufficient knowledge of the Facilities and the Airport to promptly direct and assist passengers in and around the Facilities and the Airport.

5.3.2 Customer Complaints. In the event that TMO receives complaints concerning the terminal media concession operations at the Airport, TMO shall comply with the policies and procedures regarding customer complaints set forth in the Business and Operations Plan.

5.3.3 Objections. City (through the Executive Director) shall have the right to object to the demeanor, conduct, and appearance of any Personnel at the Airport, subject to applicable Laws. TMO shall take all steps reasonably necessary to remedy the cause of any objection by City. TMO shall be responsible for the immediate removal from the Airport, or discipline in accordance with TMO's employee discipline policy, of any Personnel who participate in improper or illegal acts on the Airport, or who violate any of the Rules and Regulations or any provision of this Agreement.

5.3.4 Background Checks. All persons employed at the Airport are subject to criminal history background checks, and failure to pass the background checks will disqualify a person from employment at the Airport. TMO shall cooperate, and cause its existing and prospective employees and contractors to cooperate, with the City, FAA, TSA or any other federal or state agency in conducting background checks in accordance with Law. All Personnel that are assigned to the Airport must be able to obtain and shall obtain and display at all times while within the Airport an Airport-issued identification badge from the City.

5.3.5 City Not Liable for Employment Issues. This Agreement does not establish any employer-employee, joint venture or agency relationship between City and TMO, and TMO is and shall be engaged independently in the business of managing the Media concession on its own behalf. All employment arrangements and labor agreements with Personnel are, therefore, solely and exclusively TMO's rights, obligations and liabilities, and City shall have no obligations or liability with respect thereto. TMO hereby agrees to indemnify, defend, and hold City and each City Agent harmless from and against

any Claims of whatever nature that arise in connection with any such employment arrangements or labor agreements relating to TMO.

5.4 TMO's Key Personnel. During the term of this Agreement, TMO shall select and appoint a general manager or other management-level employee to serve as the manager of TMO's Airport operations. Such person shall be an outstanding, highly qualified and experienced manager or supervisor of comparable airport advertising and sponsorship operations, vested with full power and authority (a) to accept service of all notices provided for in this Agreement regarding TMO's operations under this Agreement, and (b) to control the conduct and activities of all TMO Parties. The general manager shall be located at or near the Airport, where he or she generally shall be available during regular business hours. In the absence of the general manager, a responsible subordinate shall be in charge and available. TMO shall provide the Executive Director with the current business and mobile telephone and facsimile numbers and electronic mail address of TMO's general manager at all times. TMO shall also provide qualified Personnel to staff each of the other key management positions described in the applicable Business and Operations Plan. The Executive Director shall have the right to concur with TMO's selection of the person occupying the position of general manager. The Executive Director shall have the right to object to the performance of any person occupying the general manager position and, subject to compliance with applicable Laws, TMO shall promptly replace the person serving in the general manager position with another qualified person satisfactory to the Executive Director. TMO's general manager shall:

(a) Meet with the City's Concessions Manager once every month, or more often if requested.

(b) Conduct a monthly walk-through with appropriate City staff to inspect and discuss the terminal Media program.

(c) Attend and participate in local business association and community organizations as may pertain to Airport events or causes.

5.5 Hours of Operation. Subject to the terms of this Agreement and to Force Majeure, TMO agrees to conduct the Permitted Uses twenty-four (24) hours each day, seven (7) days per week for the Term of this Agreement.

5.6 Special Advertising Provisions.

5.6.1 Obstructions. The City and TMO acknowledge that it is likely that from time to time, as a result of construction activities at the Airport or for other reasons, Obstructions will occur at the Airport. Where the City has advance notice that an Obstruction will occur, the City will exercise commercially reasonable efforts to give TMO advance notice of such Obstruction. If TMO determines in good faith that any Obstruction has occurred at the Airport, it will give the City prompt written notice of such Obstruction. The City will make a commercially reasonable effort to (i) cause any tenant at the Airport to promptly remove any Obstruction that was not authorized by the Executive Director; and (ii) to remove any other Obstruction promptly after the City has determined that it is no longer needed at the Airport.

5.6.2 No Self Advertising. Without the written consent of the Executive Director, which may be granted or withheld in his or her sole discretion, TMO shall not display any Advertising or promotional material about TMO, or any informational pamphlets, circulars, brochures or similar materials, on any Advertising Display or other Media Element; provided, however, the TMO may display its logo, telephone number and Permit Number thereon.

5.6.3 Additional Obligations of TMO.

(a) TMO agrees that all installations in Advertising Displays and all other Media Elements within the Display Locations and the Licensed Area shall be in good taste, professionally developed, and presented so as to be inoffensive to the general public and of high quality.

(b) TMO shall be responsible for the commercial Advertising, Sponsorship and Media program within the Display Locations and the Licensed Area, and TMO agrees that it shall apply to that program the fiscal, marketing and administrative resources of its organization.

(c) TMO agrees that it shall:

- (i) Follow quality criteria which recognize the need for integrity of design, Advertising and Content appropriate to the Airport.
- (ii) Provide a sales organization with ability and experience of sufficient scope to solicit and sell local, regional and national Sponsorships, Advertising and other Media for display on the Advertising Displays and other Media Elements and to support Sponsorship Activations and Digital Activations, and carry out all of its obligations under this Agreement in the Display Locations and the Licensed Area, and TMO shall employ a sufficient number of Personnel to handle the office and administrative duties incidental to the operation of the business herein authorized.
- (iii) Repair or remove and exercise commercially reasonable efforts to replace damaged or defective Advertising, Sponsorship Activations, Digital Activations or other Media within seventy-two (72) hours following telephonic notice from the Executive Director.
- (iv) Perform monthly maintenance cycles on all Iconic Media Structures, and all Advertising Displays and other Media Elements in the Display Locations to insure they are maintained in a first class manner and do not become unsightly. TMO shall maintain a service cycle log in which TMO shall record when each Iconic Media Structure, digital screens and devices, software, glass, electrical bulbs and tubes, and other elements of the Advertising Displays and other Media Elements are repaired and cleaned.

TMO shall provide its maintenance log to the City upon request of the Executive Director.

- (v) TMO shall exercise sound business practices and use its best efforts to keep all Iconic Media Structures, Advertising Displays and other Media Elements filled with revenue-producing Advertising or other Content.
- (vi) TMO shall remove from any Advertising Displays or other Media Elements in the Display Locations any Advertising or Content for which TMO has not sold rights to use such Advertising Display or other Media Element within thirty (30) days from the expiration date of the applicable Media Agreement, unless directed to do otherwise by the Executive Director. If any such displays consist of "wraps" or other similar Media, at the request of the Executive Director, TMO shall remove and repaint or otherwise return the area previously "wrapped" to its state before such display was installed. TMO shall keep all public service messages and fillers fresh and current and shall replace them if requested by the Executive Director.

5.6.4 Patents and Trademarks. TMO represents and warrants that it has sufficient rights in any and all Intellectual Property, including all services, processes, machines, articles, marks, images, names or slogans, used (other than with regard to any Intellectual Property or services, processes, machines, articles, marks, images, names or slogans provided by the City or City Agents for use by TMO in connection with the performance of its obligations under this Agreement) or provided by it under this Agreement, and TMO further represents and warrants that it has obtained all necessary model releases and rights of publication and publicity, as required for the performance of its obligations under this Agreement, including without limitation all Customized Content provided to the City and all TMO Content licensed or to be licensed by TMO to the City for use at the Airport or otherwise used by TMO at the Airport. TMO will not utilize any protected Intellectual Property, including patents, trademarks or copyrights, including any patents, trademarks or copyrights licensed by the City, in its operations under this Agreement unless it has obtained proper permission, rights of publication and publicity, and all releases and other necessary documents. TMO agrees to save and hold harmless the City and each City Agent from any Claims arising from any actual or alleged infringement of any patent, trademark or copyright which is based upon any alleged or actual unfair competition or other similar claim arising out of the operations of TMO under this Agreement.

5.6.5 Right of First Refusal. If the City constructs new terminal Facilities ("**Additional Facilities**") that are placed in service during the Term of this Agreement, the City shall first offer the TMO in writing the opportunity to pursue Advertising or Sponsorship opportunities as provided in this Agreement in the Additional Facilities. If within a period of twenty-one (21) days, TMO fails to accept in writing to the City's offer, the City may pursue the opportunity itself or it may enter into an agreement with another party to pursue the opportunity.

5.7 Deliveries; Access and Coordination. To the extent airside access rights are granted to TMO, TMO shall comply with all applicable Rules and Regulations and Laws in order to obtain clearance for airside access. Except and to the extent expressly directed by the Executive Director in writing, all deliveries of products, goods, merchandise, supplies, and other materials to and from the Airport and trash removal from the Airport necessary to the operation of the Media concession shall be conducted through the airside locations designated in the applicable Business and Operations Plan, as such airside locations may be changed by Executive Director from time to time upon written notice to TMO. TMO acknowledges and agrees that all such deliveries by TMO shall be in conformance with the Rules and Regulations and security requirements in effect with respect to airside operations at the Airport, and TMO shall bear all costs incurred by them in connection with their respective compliance. TMO shall make deliveries only within the times and at locations authorized by Executive Director. TMO shall require that all airside deliveries be made by vehicles and drivers qualified and permitted by City to drive over airside access roadways. Delivery hours and locations may be specified and changed from time to time at the sole discretion of Executive Director.

5.8 Removal of Garbage and Refuse. TMO shall strictly comply with the Rules and Regulations and applicable Laws regarding the disposition of trash, rubbish, refuse, garbage and recycled materials, shall regularly remove all trash, rubbish, refuse, garbage and recycled materials to the appropriate garbage or refuse disposal area or recycled materials area designated by Executive Director from time to time and shall remove the accumulation of all such material in such area or areas at frequent intervals. Prior to removal to such garbage or refuse disposal area, TMO shall store all trash and other waste in covered, odor, leak and vermin proof containers (including recycling containers), such containers to be kept in areas not visible to members of the public. Accumulation of trash, boxes, cartons, barrels or other similar items shall not be permitted in any public area at Airport.

5.8.1 LAWA Waste Reduction and Removal. TMO shall comply with current and future Rules and Regulations and other regulations promulgated by the City of Los Angeles regarding the reduction and recycling of trash and debris. Without limiting the generality of the foregoing, TMO shall participate in meeting the Airport's mandated goal of seventy percent (70%) waste diversion by 2015, by developing and implementing a program to remove as much recyclable material from the waste stream as possible (a "**Recycling Program**"). Any Recycling Program shall consist of at a minimum mixed office paper and cardboard recycling, beverage container recycling in employee break areas and public areas if applicable, diversion through 2-sided copying, reuse of pallets, utilization of minimum thirty percent (30%) recycled content copy paper and other recycled content paper goods. TMO shall prepare and submit to City a written description of such Recycling Program with respect to the Media concession as part of the Business and Operations Plan. TMO shall incorporate reasonable revisions to such Recycling Program required by City. If TMO's corporate management has a written policy on waste reduction and sustainability, TMO shall provide a copy of such policy to City at the notice address set forth in the Basic Information, Attention: LAWA Recycling Coordinator. TMO shall provide periodic reports as outlined in the Business and Operations Plan to the LAWA Recycling Coordinator (in the form and format prescribed by City) detailing the volume and type of materials diverted from the waste stream in accordance with such Recycling Program. Such reports shall also describe other waste minimization practices, such as reuse of materials and equipment, salvaging of

materials and recycling of construction and demolition waste. Without limiting the generality of City's other access and inspection rights under this Agreement, City shall have the right to review and verify TMO's compliance with its Recycling Program and other waste minimization practices.

5.8.2 Coordinated Delivery and Trash/Recycling Removal System. TMO acknowledges that the Executive Director may implement coordinated systems for airside access deliveries and Trash/Recycling Removal and that such coordinated systems may (i) be operated by one or more third party contractors, (ii) require the use of a designated transfer locations, (iii) require the payment or reimbursement by TMO and other participants of costs and expenses, and any such amounts payable or reimbursable if paid to City shall be Additional Fees hereunder, or may be payable to such third party contractors pursuant to separate agreements with such contractors; and (iv) TMO understands and acknowledges that, if implemented, participation with the coordinated systems may be mandatory. TMO acknowledges that such coordinated systems may not become effective until after the commencement of the Term of this Agreement. TMO shall be responsible for all deliveries until such time as Executive Director delivers written notice to TMO that such systems are being implemented.

5.9 Prohibited Acts. TMO shall not do or permit to be done anything specified in Sections 5.9.1 through 5.9.8. Specifically, TMO shall not:

5.9.1 Interfere with Access. Do anything which may interfere with free access and passage in the Common Areas (including, without limitation, the elevators, escalators, streets or sidewalks of the Airport), or any restricted non-Common Areas of the Airport, or hinder security, police, fire fighting or other emergency personnel in the discharge of their duties, or hinder access to utility, heating, ventilating or air-conditioning systems, or portions thereof, at the Airport. Without limiting the generality of the foregoing, TMO shall not install any racks, stands or other display of merchandise or trade fixtures at the Airport without the prior written consent of Executive Director.

5.9.2 Interfere with Systems. Do anything which may interfere with the effectiveness of utility, heating, ventilating or air-conditioning systems or portions thereof at the Airport (including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto) or interfere with the effectiveness of elevators or escalators at the Airport, or overload any floor at the Airport.

5.9.3 Permit Smoking Where Prohibited. Do anything contrary to the Board of Airport Commissioners' policy, City ordinances, or Section 41.50 of the Los Angeles Municipal Code, which prohibits smoking.

5.9.4 Install Unauthorized Locks. Place any additional lock of any kind upon any window or interior or exterior door at the Airport, or make any change in any existing door or window lock or the mechanism thereof, nor refuse, upon the expiration or sooner termination of this Agreement, to surrender to Executive Director any and all keys to the interior or exterior doors at the Airport, whether said keys were furnished to or otherwise procured by TMO, and in the event of the loss of any keys furnished by Executive Director,

TMO shall pay City, within thirty (30) days of written demand, the cost for replacement thereof, and the cost of re-keying City's locks.

5.9.5 Other Interference. Conduct its operations at the Airport in such manner as to interfere unreasonably with the use of other premises at the Airport, including, but not limited to, the emanation from the Display Locations or the Licensed Area of noise, vibration, movements of air, fumes, and odors.

5.9.6 Increase Liability. Do any act or thing upon or about the Airport which will invalidate, suspend or increase the rate of any fire insurance policy required under this Agreement, or carried by City, covering any Facility or which, in the opinion of Executive Director, may constitute a hazardous condition that will increase the risks normally attendant upon the operations contemplated under this Agreement. If, by reason of any failure on the part of TMO after receipt of notice in writing from City to comply with the provisions of this section, any fire insurance rate on any Facility, shall at any time be higher than it normally would be, then TMO shall pay City, within thirty (30) days of written demand as Additional Fees, that part of all fire insurance premiums paid by City which have been charged because of such violation of failure of TMO; *provided, however*, that nothing contained herein shall preclude TMO from bringing, keeping or using at the Airport such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary.

5.9.7 Airport Hazard. Make any uses of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard to such operations.

5.9.8 Permit Unlawful Use. Use or allow the Display Locations or the Licensed Area to be used for any improper, immoral, unlawful or objectionable purposes, or commit any waste at the Airport.

In the event that any of the aforesaid covenants or restrictions set forth above in this Section 5.9 is breached, City reserves the right to enter upon the Display Locations or the Licensed Area and cause the abatement of such interference at the expense of TMO.

5.10 Licenses and Permits. TMO represents and warrants to the City that it has obtained all license, franchise or other agreements necessary to operate TMO's business for the Permitted Uses in accordance with the terms of this Agreement, and TMO covenants to keep all such license, franchise and other agreements in full force and effect during the Term of this Agreement. TMO shall obtain and pay for all licenses and permits necessary or required by Law for the conduct of TMO's operations at the Display Locations and the Licensed Area.

5.11 Compliance with Laws.

5.11.1 TMO shall, at TMO's sole cost and expense, and shall require all TMO Parties to, fully and faithfully observe and comply with (a) all Laws; (b) all Private Restrictions now in force or which may hereafter be in force; and (c) the Rules and Regulations. The judgment of any court of competent jurisdiction, or the admission of TMO in any action or proceeding against TMO, whether City be a party thereto or not, that TMO

has violated any Laws or Private Restrictions, shall be conclusive of that fact as between TMO and City.

5.11.2 TMO agrees to pay or reimburse City as Additional Fees for any civil penalties or fines which may be assessed against City as a result of the violation by TMO or any TMO Party of any Laws or Private Restrictions, which payment shall be made by TMO within thirty (30) days from receipt of City's invoice for such amount and documentation showing that payment of such penalty or fine is TMO's responsibility hereunder.

5.12 Airport Operations. TMO acknowledges that the operational requirements of the Airport as an airport facility, including without limitation security requirements, are of paramount importance. TMO acknowledges and agrees that TMO must conduct its business in a manner that does not conflict with the operational requirements of the Airport as an airport facility and that fully accommodates those requirements. Without limiting other waivers herein, TMO waives all Claims against City and City Agents arising out of or connected to the operation of the Airport as an airport facility.

5.13 Administrative Fees. The parties agree that TMO's performance of its obligations under this Agreement are extremely important to the City and that TMO's failure to perform those activities will result in administrative and monitoring expenses to the City and its staff. Therefore, the parties agree that the Administrative Fees described on attached Exhibit "Q" are reasonable estimates of such expenses and shall be imposed on TMO at the sole discretion of the Executive Director for any of the violations described on said Exhibit "Q". The Executive Director may elect to waive an assessment of Administrative Fees for a particular violation, but no such waiver shall apply to prior or subsequent violations of the same or any other provision of this Agreement, and such waiver shall not be deemed to set a precedent for further waivers. If the TMO disputes the violation that resulted in the imposition of an Administrative Fee, it may submit, within ten (10) days of its receipt of written notice of the Administrative Fee, a written request for a review of such Administrative Fee, to the Executive Director.

The City's right to impose the foregoing Administrative Fees shall be in addition to and not in lieu of any and all of the City's rights under this Agreement, in the Rules and Regulations, or at Law or in equity. The City's decision to impose an Administrative Fee on TMO for one of the violations described on attached Exhibit "Q" shall not preclude the City, in the event TMO subsequently commits the same or a different violation, from exercising any of such other rights of the City, including, without limitation, its right to terminate this Agreement pursuant to Section 11.2. The City shall have no obligation to TMO to impose Administrative Fees or fines on or otherwise take any action against any other tenant, licensee or permittee at the Airport.

During the term of this Permit the Director may reasonably adjust upward the amount of the Administrative Fees set forth in Exhibit "Q" by providing TMO six months advance written notice.

VI. AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM.

6.1 Compliance with Department of Transportation (DOT) Requirements. City strictly prohibits all unlawful discrimination and preferential treatment in contracting, subcontracting and purchasing, leasing or any subleasing under this Agreement (the "**Non-Discrimination Policy**"). Additionally, City has established an Airport Concession Disadvantaged Business Enterprise program in accordance with the ACDBE Rules. TMO shall comply with the 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, the management of the concession, subleasing, or purchasing. TMO shall cooperate with City in City's program of recruiting, training, providing technical assistance and holding workshops to ensure that contracting, subcontracting and purchasing opportunities available under this Agreement are accessible and available to all qualified businesses owners, including ACDBEs, as defined in the ACDBE Rules. In order to provide a fair opportunity for ACDBE participation, TMO shall make good faith efforts, within the meaning of the ACDBE Rules, to provide for a level of ACDBE participation in the concession operations contemplated by this Agreement equal to or greater than ten percent (10%) for the concessions operations under this Agreement. The initial ACDBEs that will participate in the TMO concession, their role or function and the projected Gross Revenues to be derived by each ACDBE under this Agreement shall be set forth in Exhibit "V".

6.2 Substitutions. Should a substitution or an addition of an ACDBE become necessary, TMO shall comply with all requirements of the ACDBE Rules. Failure to comply with the ACDBE Rules shall constitute a Default of this Agreement.

6.3 Monthly Report. In order to assure compliance with the Non-Discrimination Policy and the ACDBE Rules, TMO shall submit, in the format required by Executive Director, a monthly report to City, describing the Gross Revenues of each ACDBE, in each case calculated in accordance with the requirements of the applicable Business and Operations Plan. TMO shall submit in the format required by the Executive Director such other information as may be requested by the Executive Director to ensure compliance with the ACDBE Rules.

VII. IMPROVEMENTS AND REFURBISHMENTS.

7.1 TMO's Improvements Obligations. TMO shall, at TMO's cost and expense, complete in a timely manner the construction of all Improvements and the installation of all fixtures and equipment required to be constructed or installed by TMO pursuant to the terms of this Agreement (including as set forth in the initial Business and Operations Plans for the TBIT Facilities and the Other Facilities and each other approved Business and Operations Plan). TMO shall coordinate TMO's construction and installation activities in a manner consistent with construction activities occurring within the Facilities. In the event of a dispute between TMO and any other Airport tenant, manager or concessionaire regarding design or construction activities or related interference with operations, TMO shall immediately report such dispute to the Executive Director and promptly thereafter meet and confer with the Executive Director. The Executive Director shall have the right to resolve any such dispute, and any such decision or

other resolution by the Executive Director shall be final and binding upon TMO. Such decision or other resolution shall be in the Executive Director's sole discretion.

7.2 Prevailing Wage. Construction, alteration, demolition, installation, repair or maintenance work performed on City's property may require payment of prevailing wages in accordance with federal or state prevailing wage and apprenticeship Laws. TMO is obligated to make the determination of whether prevailing wage Laws are applicable, and TMO shall be bound by and comply with applicable provisions of the California Labor Code and federal, State, and local Laws related to labor. TMO shall indemnify, defend and pay or reimburse City for any damages, penalties or fines (including, but not limited to, attorneys' fees and costs of litigation) that City incurs, or pays, as a result of noncompliance with applicable prevailing wage laws in connection with the construction, alteration, demolition, installation, repair or maintenance work performed in connection with this Agreement (including, without limitation, the Improvements, Annual Reinvestments and any Alterations hereunder).

7.3 Condition of Display Locations and Licensed Area on Delivery Date. The initial Business and Operations Plans for the TBIT Facilities and the Other Facilities will set forth a description of the condition of the applicable Display Locations and the Licensed Area as of the applicable Delivery Date. Unless otherwise agreed in writing by the Executive Director, upon the Delivery Date for each portion of the Display Locations and the Licensed Area, TMO shall accept such Display Locations and the Licensed Area in their "AS IS, WHERE IS" condition, and "WITH ALL FAULTS" and without any improvements or alterations to be made or constructed by City. TMO acknowledges and agrees that TMO has performed its own due diligence on all matters relating to the Display Locations and the Licensed Area, including all technical and construction matters. Any City Information, including "as-built" drawings, utility matrixes, or other technical information (including, but not limited to, architectural drawings or AutoCAD or other computer files), provided by City may not be accurate or complete. TMO's use of or reliance on any such City Information shall be at its sole risk, and City shall have no liability arising therefrom.

7.4 Construction of Improvements. TMO shall provide all Improvements which are necessary to operate the Display Locations in accordance with the initial Business and Operations Plan as approved by the Executive Director. The construction of the Improvements shall commence on the Delivery Date for such Display Locations. Any closure during the construction of the Improvements, as well as the timing of applicable design and construction periods shall be approved by Executive Director and specified in writing as part of either the approval of the initial Business and Operations Plans for the TBIT Facilities or the Other Facilities or the Tenant Improvement Approval Process ("*TLAP*"). TMO shall complete the Improvements and to commence regular operations at the Display Locations by the Stabilization Date. The Executive Director shall have the right (but not the obligation) to extend the Stabilization Date, which right may be exercised by the Executive Director in his or her sole discretion. TMO shall also be responsible for the timely design and construction of any further Improvements or renovations to the Display Locations and the Licensed Area or any portion thereof that may be required following the construction of the initial Improvements at the Display Locations.

7.5 Improvement Financial Obligation. Unless otherwise approved by the Executive Director, TMO covenants and guarantees that TMO shall make an investment in the Improvements greater than or equal to the Investment Commitment on or before the Stabilization Date. If, on the Stabilization Date, TMO has not expended an amount at least equal to the Investment Commitment on Qualified Investments described in Section 9.3.1 hereof, TMO shall pay to the City the difference between (x) the Investment Commitment and (y) the amount actually spent on Qualified Investments described in Section 9.3.1 hereof to the City as Additional Rent within thirty (30) days after written notice from the City. The amount of TMO's required Investment Commitment shall not be reduced by the amount of any Approved Sponsorship Costs incurred by TMO.

7.6 Annual Reinvestment. In addition to the TMO's obligation to invest an amount equal to the Investment Commitment in Improvements as provided in Section 7.5, following the Stabilization Date, the TMO shall also invest an amount no less than the amount of the Reinvestment Commitment in capital costs of refurbishing and maintaining the Display Locations and the Licensed Area in the manner set forth in this Section 7.6. It is the City's expectation and intention that TMO will invest an amount annually in such refurbishment and maintenance that is substantially level in each Agreement Year during the Term following the Stabilization Date, but the City recognizes that there may need to be some variation in the level of investment from year to year. The Business and Operations Plans for each Agreement Year after the Stabilization Date shall include a refurbishment and capital maintenance and improvement plan for that Agreement Year, and such plan shall also contain a specific plan for refurbishing the Iconic Media Structures (including associated hardware and software). In connection with the Executive Director's review and approval of the annual Business and Operations Plan, the Executive Director and TMO shall conduct a review of the terminal media concession and TMO will work in good faith to reach mutual agreement with the City on the specific replacement and/or substantial upgrades to the Advertising Displays and other Media Elements. Following the Stabilization Date, if TMO does not expend a cumulative amount at least equal to the Reinvestment Commitment on Qualified Investments, excluding those Improvements funded pursuant to Section 7.5 hereof, by the end of the term of this Agreement, TMO shall pay to the City as Additional Fees within thirty (30) days after written notice from the City the difference between (x) the Reinvestment Commitment and (y) the amount actually expended on such Qualified Investments (excluding those Improvements funded pursuant to Section 7.5). The amount of TMO's required Reinvestment Commitment shall not be reduced by the amount of any Approved Sponsorship Costs incurred by TMO.

7.7 City Approval of Improvements. Prior to the construction of any Improvements, TMO shall comply with the TIAP, including without limitation, the submission to City's Commercial Development Group for approval all required plans and other information. Upon receipt of the Executive Director's approval and any other applicable approvals, TMO shall cause the construction called for by the approved working drawings and specifications to be commenced and completed promptly. No substantial changes, additions, or alterations shall be made in said working drawings or specifications, or in the construction called for thereby, without first obtaining Executive Director's approval in writing.

7.7.1 TMO shall keep any Improvements constructed at the Airport free and clear of liens for labor and material expended by or for TMO or on its behalf in accordance with Section 7.15 of this Agreement.

7.7.2 TMO agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Administration Regulations.

7.7.3 Prior to the commencement of any work, TMO shall, at its own cost and expense, obtain all other Permits and approvals required by applicable Laws including, but not limited to Los Angeles Department of Building and Safety, Los Angeles County Department of Health and OSHA. Executive Director's approval of the plans, specifications and working drawings for any Improvements or Alterations undertaken by the TMO shall create no responsibility or liability on the part of City for their completeness, design sufficiency, or compliance with all Laws and other requirements of governmental agencies or authorities. Neither City nor any City Agents shall be liable for any damage, loss, or prejudice suffered or claimed by TMO, any TMO Party or any other person or entity on account of: (a) the approval or disapproval of any plans, contracts, bonds, contractors, sureties or matters; (b) the construction or performance of any work whether or not pursuant to approved plans; (c) the improvement by the TMO of any portion of the Airport or alteration or modification to any portion of the Airport; or (d) the enforcement or failure to enforce any of the covenants, conditions and restrictions contained in this Agreement.

7.8 Further Provisions Regarding Design and Construction. TMO shall comply with the following requirements in connection with any construction under this Agreement.

7.8.1 Design and Engineering. TMO shall, at its own cost and expense, employ competent architects, engineers and interior designers. TMO warrants that all design and construction work and services performed by or on behalf of TMO shall conform to the highest professional standards pertinent to the respective trade or industry. All Improvements shall be designed to industry standards appropriate for a best-in-class international airport facility. TMO shall comply with City's Design and Construction Handbook, as in effect from time to time.

7.8.2 Licensed Contractors; Warranty. All construction or work shall be performed in a good and workmanlike manner in accordance with good industry practice for the type of work in question by duly licensed contractors under the supervision of a competent architect or licensed structural engineer. TMO warrants that all materials and equipment furnished will be new and of good quality unless otherwise specified, and that all workmanship will be of good quality, free from faults and defects and in conformance with the design documents approved by the City of Los Angeles Department of Building and Safety, as applicable.

7.9 Alterations. TMO shall not make any Alterations without first complying with City's Tenant Improvement Approval Process. Any unauthorized Alterations made by TMO to any portion of the Airport shall be removed at TMO's sole cost and expense and any damage to such portion of the Airport shall be promptly repaired, and if not removed and repaired within thirty (30) days of demand from City, and should TMO fail to so remove such Alterations and

restore such portion of the Airport, City may remove such Alterations and restore such portion of the Airport, at TMO's sole cost and expense, and such cost, plus the Administrative Fee, shall be payable to City as Additional Fees within thirty (30) days of delivery of an invoice therefor.

7.10 Building Codes. All Alterations, fixtures and equipment constructed or installed by TMO at the Airport, including the plans and specifications therefor, shall in all respects conform to and comply with the applicable Laws (including, without limitation, ordinances, building codes, rules and regulations of the City of Los Angeles and such other authorities as may have jurisdiction over the Airport or TMO's operations therein), and City Policies (as defined in Section 16.23). If and to the extent that TMO's activities or proposed Alterations trigger an obligation or requirement on the part of City to make changes to the Airport (including under the ADA), TMO shall indemnify, defend, and hold harmless City and City Agents from and against any Claims arising out of such activities or Alterations. The approval by Executive Director provided above shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefor shall at all times remain in TMO.

7.11 Workers' Compensation. Prior to commencement of any such construction, TMO shall first submit to City a certificate of insurance evidencing the fact that TMO (and any relevant TMO Party) maintains workers' compensation and employer's liability coverage in the amounts and form required by the Workers' Compensation Act and insurance Laws of the State of California. Such certificate shall include a waiver of subrogation naming and for the benefit of the City of Los Angeles and City Agents. Such certificate shall contain the applicable policy number and the inclusive date for same, shall bear an original signature of an authorized representative of the insurance carrier and shall also provide thereon that the insurance shall not be subject to cancellation except after notice by registered mail to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the date of cancellation.

7.12 Improvement Payment and Performance Bond. In connection with the Improvements and any other Alterations by TMO, TMO shall furnish, at its sole cost and expense, payment and performance bonds in the principal sum of the amount of the work of improvement proposed by TMO, or alternative security deposit for said amount acceptable to Executive Director. TMO shall comply with the provisions of California Civil Code Sections 3235 to 3242 or Section 3247 to 3252, as applicable to any such bond, by filing the original contract and any modifications thereto in the office of the Los Angeles County Recorder, together with the bond specified therein, and a conformed copy of such bond, filed for record as aforesaid, shall be furnished by TMO to City. Such payment and performance bonds shall be furnished no later than ten (10) days prior to the commencement of such work. The payment and performance bonds shall be in substantially the same form as that of Exhibit "F" attached hereto (or such other form as may be reasonably prescribed from time to time by the City Attorney), be issued by a surety company satisfactory to Executive Director, and authorized and licensed to transact business in the State of California and be for the full amount stated above with the City of Los Angeles, Department of Airports, as obligee, and shall guarantee the full, faithful and satisfactory payment and performance by TMO of its obligations to construct and install the aforementioned Improvements, and shall guarantee the payment for all materials, provisions, supplies, and equipment used in, on, for, or about the performance of TMO's works of improvement or labor done thereon of any kind, and shall protect City from any liability, losses, or damages arising therefrom.

7.13 Telecommunications Facilities. TMO and its Telecommunications Service Providers shall not install Telecommunication Facilities in any part of the Airport without prior written approval of Executive Director and any approval required as part of City's Tenant Improvement Approval Process. All such Telecommunications Facilities and services shall comply with FCC licensing regulations, with City of Los Angeles building codes, and with all other applicable Laws. All work performed in connection with the installation of any Telecommunication Facilities shall comply with the provisions of this Agreement applicable to construction projects. City may require its contractors or personnel to observe such installation or servicing to assure compliance with this Agreement. In such event, TMO shall pay to City as Additional Fees hereunder, the cost or imputed cost of such observation and compliance monitoring. Prior to any installation or servicing of any Telecommunication Facilities, TMO shall submit to City (with copies to LAWA Project Management Division and Manager of LAWA Information Technology Division at 1 World Way, Room B14, Los Angeles, CA 90045) for approval documentation of each Telecommunication Facility and the infrastructure proposed to be used (collectively, "**Telecom Documentation**"), which Telecom Documentation shall include, but not be limited to, plans and drawings with specific routing detail, conduit types and sizes, access junction boxes, cable descriptions (type, quantity, size) per route segment, telecommunication rooms and closets used, termination block labeling, and cable pair assignments for each cable segment, and a schedule with the times and locations that require access in connection with such installation or servicing.

7.13.2 TMO shall not allow the use of, and shall not sell, lease, sublet, or trade, Telecommunication Facilities or services to other users or operators at the Airport without prior written approval of Executive Director. TMO shall not use, and shall not purchase, lease, sublet or trade for, Telecommunication Facilities or services from other users or operators at the Airport without prior written approval of Executive Director.

7.13.3 TMO agrees that the Telecommunications Facilities, and the installation, maintenance and operation thereof shall in no way interfere with Airport operations, or the operation of Telecommunications Facilities of City or any other tenants or occupants of the Airport. If such interference shall occur, City shall give TMO written notice thereof and TMO shall correct the same within twenty-four (24) hours of receipt of such notice. City reserves the right to disconnect TMO's Telecommunications Facilities if TMO fails to correct such interference within twenty-four (24) hours after such notice.

7.13.4 TMO shall protect, defend, indemnify and hold harmless City and City Agents from and against Claims incurred by or asserted against City or any City Agent arising out of TMO's installation, maintenance, replacement, use or removal of TMO's Telecommunications Facilities.

7.13.5 TMO shall remove any Telecommunications Facilities installed by TMO at TMO's sole cost and expense upon the expiration or early termination of this Agreement.

7.14 Deliveries upon Completion. Within one hundred eighty (180) days of completion of the Improvements, TMO shall furnish to City, at no charge: (a) a certificate from

the architect(s) certifying that such Improvements have been constructed in accordance with the approved plans and specifications and in strict compliance with all Laws; (b) five (5) complete sets of "record" drawings, and one complete set in Computer Aided Design (CAD) format which complies with the then current LAWA CAD standards (these drawings must include any applicable permit numbers, the structural and other improvements installed by TMO at the Display Locations or in the Licensed Area, and the location and details of installation of all equipment, utility lines, heating, ventilating, and air-conditioning ducts and related matters); (c) duplicated receipted invoices on all materials and labor costs incurred; and (d) executed unconditional mechanics' lien releases from those parties performing or providing labor, materials or supplies in connection with all such Improvements, which releases shall comply with the appropriate provisions, as reasonably determined by City, of the California Civil Code. TMO shall keep such as-built drawings current by updating the same in order to reflect thereon any changes or modifications which may be made to such Improvements. Within ten (10) days after completion of any such Improvements, TMO shall cause a Notice of Completion to be recorded in the office of the Los Angeles County Recorder in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to City upon such recordation. If TMO fails to do so, City may execute and file the same on behalf of TMO as TMO's agent for such purpose, at TMO's sole cost and expense.

7.15 No Liens. TMO shall pay when due all claims for labor or materials furnished or alleged to have been furnished to or for TMO at, on, about, or for use at the Airport or any portion thereof. Subject to the right to bond over any such lien as set forth in this Section 7.15, TMO shall keep the Airport, and any interest therein, free and clear of all mechanics' liens and all other liens from any work undertaken by or on behalf of TMO or any TMO Party. TMO shall give City immediate written notice of any lien filed against the Airport or any interest therein related to or arising from work performed by or for TMO or any TMO Party. Additionally, TMO shall keep any City-owned improvements, whether Display Locations, within the Licensed Area or out-side of the Licensed Area, free and clear of any liens or other encumbrances from any work undertaken by or on behalf of TMO or any TMO Party. By way of specification without limitation, TMO shall keep the Airport free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for TMO or any TMO Party, and TMO shall indemnify, defend, protect, and hold the Airport, City and City Agents harmless against any liens and encumbrances and all Claims arising from any work performed by or on behalf of TMO or any TMO Party and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against TMO, City, or the Airport. In the event that TMO does not, within thirty (30) calendar days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a bond in form and amount satisfactory to Executive Director in her or his good faith business judgment, City shall have in addition to all other remedies provided herein and by law, the right, but not the obligation to cause, upon twenty (20) Business Days prior written notice to TMO, the same to be released by such means as it shall deem proper, including payment in satisfaction of any Claim giving rise to such lien. All such sums paid by City and all expenses incurred by it in connection therewith (including, without limitation, attorneys' fees (including, without limitation, the imputed fees of City Attorneys)), plus the Administrative Fee, shall be payable to City by TMO as Additional Fees within thirty (30) days after written demand therefor. TMO shall give City not less than ten (10) days' prior written notice of the commencement of the Improvements at the Airport, and City shall have the right to post notices of non-responsibility at

the Airport as provided by Law. In addition, City shall have the right to require that TMO pay City's attorneys' fees and disbursements (including, without limitation, the imputed fees of City Attorneys), court costs and other costs in defending any such action if City is named as a party to any such action, the lien encumbers any portion or interest in the Airport or if City elects to defend any such action or lien. Nothing in this Section shall be construed to place any obligations upon TMO with respect to liens, loans, or mortgages placed by City, its Department of Airports, its Board, City officers, agents, or employees.

VIII. MAINTENANCE AND REPAIR.

8.1 Maintenance and Repair. TMO acknowledges and agrees that, except to the extent expressly set forth to the contrary in this Article VIII, City shall have no duty to maintain, repair or replace the Display Locations or the Licensed Area (or any part thereof), or the Improvements located therein and thereon. TMO shall, at all times and at its expense, keep and maintain the Iconic Media Structures and each Advertising Display and other Media Element within the Display Locations, all mechanical equipment such as, but not limited to, heat exchangers, fans, controls and electric panels, and all of the structural and other improvements, together with all fixtures, equipment and personal property therein, in good repair and in a clean and orderly condition and appearance. TMO shall keep a record of all maintenance and repair actions involving a cost of Ten Thousand Dollars (\$10,000) or more that are undertaken with respect to the terminal media concession during the Term of this Agreement, including the nature of such matter requiring maintenance and repair, the date such matter was first observed, the maintenance and repair action undertaken in response, the date such maintenance and repair action was undertaken, the cost of such maintenance and repair action, any receipts and invoices or contracts for costs and expenses incurred in connection with such maintenance and repair action, evidence of payments made in connection therewith, and any warranties or guarantees obtained in connection with the performance of such maintenance and repair action, and pictures of the matter requiring maintenance and repair and the completed maintenance or repair, and any other information relating thereto that Executive Director may request from time to time (collectively, "*TMO's Maintenance Records*"). Upon any request of Executive Director and annually, in connection with submission of the annual Business and Operations Plan, TMO shall deliver to City an annual maintenance report with a copy of TMO's Maintenance Records for the Agreement Year just ended.

8.2 Cleaning and Routine Upkeep. TMO, at its sole cost and expense, shall have primary responsibility for all maintenance, cleaning and routine upkeep of the Display Locations and the Licensed Area and shall keep such Display Locations and the Licensed Area in a good and clean condition at all times.

8.3 Maintenance of Plumbing. TMO shall be responsible for the maintenance, repair and replacement of all plumbing, piping and drains, if any, within the Display Locations and the Licensed Area. If TMO fails to maintain the plumbing, piping and drain system or places liquid, grease, debris, and other materials that contribute to stoppage or damage to the Airport's plumbing, and City elects to make repairs thereto, TMO will be billed for the cost thereof, plus the Administrative Fee, to be paid by TMO to City within thirty (30) days of written demand.

8.4 City May Repair. In the event TMO fails to accomplish any such nonstructural repairs, replacements, rebuilding, redecorating or painting required hereunder (including any preventative maintenance or emergency repairs) within a period of twenty (20) days after written notice from Executive Director so to do, or fails to diligently repair, replace, rebuild, redecorate or paint all portions of the Display Locations and the Licensed Area required to be repaired, replaced, rebuilt, redecorated or painted by TMO pursuant to its approved maintenance schedule, City shall have the right (but not the obligation), at its option, and in addition to all other remedies which may be available to it, to repair, replace, rebuild, redecorate or paint any such portion of the Display Locations (including any Advertising Display therein) and the Licensed Area included in said notice, and the cost thereof, plus the Administrative Fee, shall be paid by TMO to City as Additional Fees within thirty (30) days of written demand. Notwithstanding anything to the contrary contained in this Agreement, the performance of such maintenance, repair or replacement by City on TMO's behalf shall in no event be construed as a waiver of TMO's maintenance, repair and replacement obligations under this Agreement.

8.5 Right to Enter Display Locations and Licensed Area. City shall have the right to enter upon the Display Locations and the Licensed Area at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of Executive Director, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the Display Locations and the Licensed Area new lines, pipes, mains, wires, conduits and equipment (regardless of whether such construction by City relates to operations within the Display Locations and the Licensed Area or outside of the Display Locations and the Licensed Area); provided, however, that City shall use commercially reasonable efforts to minimize the interference caused by such repair, alteration, replacement or construction with the use of the Display Locations and the Licensed Area by TMO; and provided, further, that nothing herein shall be construed as relieving TMO of any obligation imposed upon it herein to maintain the Display Locations and the Licensed Area and the Improvements and utility facilities therein. City shall have the right to enter the Licensed Area at any time to maintain or repair emergency systems when loss of life or damage to property may potentially result. Notwithstanding anything to the contrary contained in this Section 8.5, if during the performance of such work by City, any Advertising Display or other Media Element is required to be closed for five (5) or more complete and consecutive days (unless such closure is the result of TMO's failure to perform its obligations under this Agreement), then TMO may seek to have the MAG allocated for any such Advertising Display or other Media Element to be equitably abated for the period commencing on the 6th day following the date that any such Advertising Display or other Media Element is so forced to close until the interference causing such closure of any such Advertising Display or other Media Element has ceased by providing the Executive Director with the information set forth in Section 4.1.1(c)(ii) hereof and the City shall abate the MAG as provided in such Section.

8.6 Provision of Utilities. Throughout the term of this Agreement, to the extent not provided by City at City's election, TMO shall, at its sole cost and expense, take whatever action is required to obtain all utility service necessary for the operation of the Display Locations (including all Advertising Display and other Media Elements therein), and TMO shall make the necessary arrangements with all utility providers to bring all required water, sanitary sewer, telephone, electricity, gas and any and all other utilities lines to and within the Display Locations and (except for electricity) the Licensed Area in accordance with plans and specifications

approved by City. City shall have the right, but not the obligation or responsibility, for the use of TMO or for the use of others at Airport, to maintain existing and future utility systems or portions thereof on the Display Locations and (except for electricity) the Licensed Area, including, without limitation, systems for the supply of heat and electricity and for the furnishing of fire alarm, fire protection, sprinkler, air conditioning, telephone, telegraph, teleregister and intercommunication services, including lines, pipes, mains, wires, conduits and equipment connected without appurtenant to all such systems. TMO shall reimburse City for its pro-rata share of costs of such maintenance. Within each Facility, TMO's pro-rata share shall be based on a reasonable and appropriate methodology or basis as determined by the Executive Director. Notwithstanding any other provision of this Agreement, City shall not be liable or responsible for any unavailability, failure, stoppage, interruption or shortage of any utilities or other services, however or by whom caused, except for the provision of MAG abatement as provided in the following sentence. Notwithstanding anything to the contrary contained in this Section 8.6, if any utility to the Display Locations and the Licensed Area or any portion thereof is supplied by or through City, and due to City's sole negligence or intentional act, such utility to the Display Locations and the Licensed Area or any portion thereof is interrupted to the extent that any Iconic Media Structure, Advertising Display or other Media Element is required to be closed for five (5) or more complete and consecutive days, then the TMO may seek to have the MAG allocated for any such Iconic Media Structure, Advertising Display or other Media Element to be abated for the period commencing on the 6th day following the date that any such Iconic Media Structure or Advertising Display or other Media Elements is forced to close until the applicable utilities causing such forced closure are restored by providing the Executive Director with the information set forth in Section 4.1.1(c)(ii) hereof and the City shall abate the MAG as provided in such Section.

8.7 Evidence of Payment. In any suit, action or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum(s) by City for any work done or material furnished shall be prima facie evidence against TMO that the amount of such payment was necessary and reasonable. Should Executive Director elect to use City operating and maintenance staff in making any repairs, replacements or alterations and to charge TMO with the cost of same, any timesheet of any employee of City showing hours of labor or work allocated to any such repair, replacement or alteration, or any stock requisition of City showing the issuance of materials for use in the performance thereof, shall be prima facie evidence against TMO that the amount of such charge was necessary and reasonable. Notwithstanding the foregoing, TMO shall have the right to dispute the reasonableness of any such charge and in the event of any such dispute, the parties shall negotiate in good faith to seek a mutually satisfactory resolution within twenty (20) business days.

IX. TERMINATION FOR CONVENIENCE; TERMINATION PAYMENTS; QUALIFIED INVESTMENTS.

9.1 Termination for Convenience. In the event that the Executive Director, in his or her sole discretion, at any time determines that efficient or convenient Airport operations require the use of any portion of the Display Locations or the Licensed Area, City shall have the absolute right to terminate this Agreement with respect to such portion of the Display Locations or the Licensed Area (a "*Termination for Convenience*"), upon not less than ninety (90) days' prior written notice to TMO (a "*Convenience Termination Notice*"). In connection with any

Termination for Convenience, City (upon the determination of the Executive Director) shall have the right to terminate any Media Agreement applicable to the portion of the Display Locations or the Licensed Area so terminated by City. The Convenience Termination Notice shall set forth a description of the Display Locations or portion of the Licensed Area that is the subject of the Termination for Convenience (the "***Terminated Area***") and shall set forth the effective date of such termination ("***Convenience Termination Date***"). On or before the Convenience Termination Date, TMO shall, with respect to the Terminated Area, perform its removal and surrender obligations set forth in this Agreement (including, without limitation, TMO's obligations set forth in Section 2.4 above). In the event of a Termination for Convenience under this Section 9.1, City shall pay to TMO an amount equal to the Convenience Termination Payment within thirty (30) days following the Convenience Termination Compliance Date. TMO specifically acknowledges that this Termination for Convenience provision is a material inducement to City to allow TMO to enter into this Agreement. In the event of a Termination for Convenience, the MAG shall be equitably adjusted to reflect the loss of the Iconic Media Structures, Advertising Displays or other Media Elements within the Terminated Area, such adjustment to be based on the then current MAG Amount for such Iconic Media Structures, Advertising Displays or other Media Elements as of the Convenience Termination Date.

9.2 Termination Payment. In the event of a Termination for Convenience under Section 9.1 above, TMO shall receive from City a payment in respect of such termination as set forth in Section 9.2.1 below; provided, however, City shall have the right to offset against the amount of such termination payment any amounts which may then be due and payable by TMO to City under this Agreement; and provided, further, that City shall have the right to withhold from such termination payment as security for the performance of any other uncured Default by TMO (i) an amount equal to the estimated damage or loss to City as the result of such uncured Default as reasonably estimated by the Executive Director or (ii) if the damage or loss to City as the result of such uncured Default cannot be reasonably estimated in monetary terms, an amount equal to ten percent (10%) of such termination payment.

9.2.1 Termination Payment – Termination for Convenience. The term "***Convenience Termination Payment***" shall mean an amount equal to that portion of TMO's Qualified Investments with respect to Improvements and Alterations within the Terminated Area that have not been amortized as of the Convenience Termination Date, with the amortization of each such Qualified Investment being calculated on a fully amortized basis over an amortization period beginning on the respective dates that such Improvements or Alterations were placed in service and ending on the Expiration Date (herein, "***TMO's Un-Amortized Qualified Investment Amount***").

9.2.2 Convenience Termination Compliance Date. The term "***Convenience Termination Compliance Date***" shall mean the date that all of the following have occurred: (i) TMO has vacated and surrendered the Terminated Area in accordance with the surrender and removal obligations under this Agreement; (ii) if required by the Executive Director in his or her sole discretion, City has received the Termination Release signed by TMO and any terminated Sponsor (provided, however, that payment to TMO of TMO's share of any Convenience Termination Payment shall not be withheld or delayed solely as a result of any such Sponsor's failure to provide such Sponsor's Termination Release); and (iii) the Convenience Termination Date has occurred.

9.3 Qualified Investments Defined. Subject to the limitation and conditions set forth in Section 9.4 below, the term “*Qualified Investments*” shall mean the following amounts described below in this Section 9.3 (each, individually, a “*Qualified Investment*”):

9.3.1 Improvements. An amount equal to the actual costs incurred by TMO for the design and construction of the Improvements, as verified by the Executive Director.

9.3.2 Other Alterations. Any other Alterations by TMO that the Executive Director (in the Executive Director’s reasonable discretion) approves in writing as eligible to be a Qualified Investment in such amount as is approved by the Executive Director.

9.4 Additional Conditions Applicable to Qualified Investments. With respect to any expenditure described in Section 9.3 above, such expenditure must satisfy the following additional requirements and conditions in order to be classified as a Qualified Investment:

9.4.1 Submittal to the Executive Director. Any expenditure during the term of this Agreement which TMO desires to be classified as a Qualified Investment must be submitted to the Executive Director for verification within nine (9) months following the earliest to occur of the following (to the extent applicable): (i) the issuance of a certificate of substantial completion by the project architect or general contractor, (ii) the issuance of a certificate of occupancy or the commencement of business operations to which the work or Improvement relates, or (iii) the project has been closed-out pursuant to the Tenant Improvement Approval Process.

9.4.2 Required Information; Approval. For purposes of the Executive Director’s verification of such expenditures, TMO must provide to City within said nine (9) month period a schedule of all Qualified Investments which schedule shall show line item detail information as to each cost, including, but not limited to, description, payee and date of payment. TMO must also provide within said nine (9) month period depreciation and amortization schedules showing the investment amounts being depreciated or amortized, as applicable, over the applicable depreciation or amortization periods described in Section 9.2 (and its subsections). TMO shall also be responsible for providing within said nine (9) month period reasonable documentation to City indicating that the amounts were expended (including, but not limited to, copies of returned checks and lien waivers, if requested), that they are true and correct, and why they are eligible to be included in the Qualified Investment amount. The Executive Director, in its sole discretion which shall not be unreasonable, will decide if such amount may then be included as part of the Qualified Investment amount. With respect to the depreciation or amortization of Qualified Investments, such Qualified Investments shall be fully depreciated or amortized over the applicable depreciation or amortization period, with no residual value. All depreciation and amortization calculations shall be subject to the review and approval of the Executive Director. City shall have the right to audit the Books and Records of TMO in accordance with the provisions of Section 4.4 above.

9.4.3 Other Limitations on Qualified Investments. Amounts eligible as Qualified Investments shall not include any interest or financing costs, and architectural and design costs shall not exceed twenty percent (20%) of the cost of the related Improvements.

Costs incurred for personal property not permanently installed on the Display Locations or within the Licensed Area shall not be eligible as Qualified Investments.

9.5 No Other Compensation. TMO acknowledges and agrees that, except for the Convenience Termination Payment in connection with a Termination for Convenience, TMO have absolutely no right to any payment, claim, damage, offset or other compensation in connection with the termination of this Agreement as to all or any part of the Display Locations or the Licensed Area. Without limiting the generality of the foregoing, no payment or other compensation shall be payable to TMO in connection with the termination of this Agreement as a result of TMO's Default.

X. AIRPORT CONSTRUCTION; AIRPORT OPERATIONS.

10.1 Airport Construction; Airport Operations. City reserves the right to further develop or improve the landing area of Airport or any other portion of the Airport, as it sees fit, regardless of the desires or view of TMO, and without interference or hindrance by TMO. TMO recognizes and agrees that City, from time to time during the term of this Agreement, may construct, cause to be constructed, or permit construction, of City-approved improvements of various sizes and complexity. TMO further recognizes that such construction and other security related restrictions may restrict access to the Display Locations or the Licensed Area and the amount of revenue generated therefrom. TMO agrees that City shall not be liable for losses or damages arising from disruptions caused by City-approved construction or other restrictions affecting access to the Display Locations or the Licensed Area, and hereby waives any Claims against City and City Agents arising therefrom. Notwithstanding the foregoing, in the event of any Obstruction of any Advertising Display, Sponsorship Activation or other Media Element for five (5) or more complete and consecutive days, then TMO may seek to have the MAG allocated for any such Advertising Display, Sponsorship Activation or other Media Element to be equitably abated for the period commencing on the 6th day following the date that any such Advertising Display, Sponsorship Activation or other Media Element is so obstructed until the date the Obstruction is removed by providing the Executive Director with the information set forth in Section 4.1.1(c)(ii) hereof and the City shall abate the MAG as provided in such Section. City shall endeavor to use commercially reasonable efforts to keep TMO informed of construction plans that may materially and adversely impact the operations of the terminal media concession. There is also hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating at the Airport. TMO agrees not to make any claim or institute legal action against City under any theory of recovery for any interference with TMO's Media concession which may result from noise emanating from the operation of aircraft to, from, or upon the Airport, and TMO hereby waives any Claims against City and City Agents arising therefrom.

10.2 No Right to Temporary Space. Temporary disruptions to TMO's operations, including restricted access to any Facility during any construction or security alert, shall not entitle TMO to a temporary location elsewhere or any other compensation (except for the abatement of MAG as provided in Section 10.1 above).

XI. TERMINATION/CANCELLATION.

11.1 Defaults. The occurrence of any one of the following events shall constitute a default on the part of TMO ("**Default**"):

11.1.1 Abandonment. The abandonment of the Media concession within the meaning of California Civil Code Section 1951.3;

11.1.2 Failure to Pay Fees. Failure to pay any installment of Fees or any other monies due and payable hereunder, said failure continuing for a period of ten (10) business days after the same is due;

11.1.3 Assignment for Creditors. A general assignment for the benefit of creditors by TMO or by any guarantor or surety of TMO's obligations hereunder;

11.1.4 Filing of Bankruptcy Petition. The filing of a voluntary petition in bankruptcy by TMO, the filing by TMO of a voluntary petition for an arrangement, the filing by or against TMO of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by the creditors of TMO, said involuntary petition remaining undischarged for a period of sixty (60) days, or the receivership, attachment, or other judicial seizure of substantially all of TMO's assets at the Airport, such attachment or other seizure remaining undismissed or undischarged for a period of sixty (60) days after the levy thereof;

11.1.5 Failure to Maintain Iconic Media Structures. Except as otherwise provided in this Agreement, any of the Iconic Media Structures is not lit and displaying Content for an aggregate of four (4) hours or more in any period of three (3) consecutive months, unless otherwise approved in writing by the Executive Director in her or his reasonable discretion;

11.1.6 Death; Dissolution. Death or disability of TMO, if TMO is a natural person, or the failure by TMO to maintain its legal existence, if TMO is a corporation, partnership, limited liability company, trust or other legal entity;

11.1.7 Failure to Deliver Ancillary Documents. Failure of TMO to execute and deliver to City any estoppel certificate, subordination agreement, report (including, without limitation, reports required under Section 4.2), financial statement or other document required under this Agreement within the time periods and in the manner provided in this Agreement, where such failure remains uncured for a period of five (5) business days following written notice by City to TMO;

11.1.8 Incomplete Records. TMO fails to maintain adequate Books and Records reflecting its business as required hereunder (including without limitation, information regarding Gross Revenues, and the costs of construction for the Initial Improvements);

11.1.9 Transfers. An assignment or sublease, or attempted assignment or sublease, of this Agreement or any other Transfer of TMO's interest under this Agreement, in

whole or in part, by TMO contrary to the provision of Article XIV without the prior written consent of City as required hereunder;

11.1.10 Faithful Performance Guarantee. Failure of TMO to provide and maintain the Faithful Performance Guarantee as required under this Agreement for a period of ten (10) business days after receipt of written notice from City of such failure;

11.1.11 Other Defaults. A default under any other agreement with the City of Los Angeles Department of Airports beyond any applicable notice and cure period under such agreement;

11.1.12 General Non-Monetary Defaults. Failure in the performance of any of TMO's covenants, agreements or obligations hereunder (except those failures specified as events of Default in Sections 11.1.1, 11.1.2, 11.1.4, 11.1.5, 11.1.7, 11.1.10, 11.1.13, 11.1.15, 11.1.16 herein or any other subsections of this Section 11.1, which shall be governed by the notice and cure periods set forth in such other subsections), which failure continues for thirty (30) days after written notice thereof from City to TMO, provided that, if TMO has commenced such cure within such thirty (30) day period, and has exercised reasonable diligence to cure such failure and such failure cannot be cured within such thirty (30) day period despite reasonable diligence, TMO shall not be in Default under this Section 11.1.12 so long as TMO thereafter diligently and continuously prosecutes the cure without interruption to completion and actually completes such cure within one hundred twenty (120) days after the giving of the aforesaid written notice to the extent such cure can reasonably be completed within such one hundred twenty (120) day period;

11.1.13 Chronic Delinquency. Chronic delinquency by TMO in the payment of Fees, or any other periodic payments required to be paid by TMO under this Agreement. "Chronic Delinquency" means failure by TMO to pay Fees, or any other payments required to be paid by TMO under this Agreement within seven (7) days after the date due, and which occurs three (3) or more times during any period of twelve (12) consecutive months;

11.1.14 Termination of Insurance. Any insurance required to be maintained by TMO pursuant to this Agreement shall be canceled or terminated or shall expire or be reduced or materially changed, except as permitted in this Agreement, and TMO fails to obtain replacement insurance within two (2) business days after receipt of written notice from City of the failure to carry the proper insurance coverage required of TMO hereunder;

11.1.15 Liens. Any failure by TMO to discharge any lien or encumbrance placed on the Airport or any part thereof in violation of this Agreement within thirty (30) days after the date that TMO has received actual notice that such lien or encumbrance is filed or recorded against the Airport or any part thereof;

11.1.16 Revocation of Licenses. An act occurs which results in the suspension or revocation of the rights, powers, licenses, permits and authorities necessary for the conduct and operation of the business of TMO authorized herein for a period of more than sixty (60) days;

11.1.17 Hazardous Materials. Any failure by TMO to promptly remove, abate or remedy any Hazardous Materials located in, on or about the Airport in connection with any failure by TMO to comply with TMO's obligations under Article XV to the extent required by any applicable Hazardous Materials Laws; and

11.1.18 False Representations. Any representation of TMO herein, in the Proposal or in any financial statement or other materials provided by TMO or any guarantor of TMO's obligations under this Agreement shall prove to be untrue or inaccurate in any material respect, or any such financial statements or other materials shall have omitted any material fact.

TMO agrees that any notice given by City pursuant to this Section 11 shall satisfy the requirements for notice under California Code of Civil Procedure Section 1161, and City shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

11.2 City's Remedies.

11.2.1 Termination. In the event of any Default by TMO and the failure of TMO to cure the same during any applicable notice and cure periods as provided in this Agreement, then in addition to any other remedies available to City at law or in equity and under this Agreement, City may terminate this Agreement immediately and all rights of TMO hereunder by giving written notice to TMO of such intention to terminate. If City shall elect to so terminate this Agreement, then City may recover from TMO:

(a) the worth at the time of award of any unpaid Fees and any other sums due and payable which have been earned at the time of such termination; plus

(b) the worth at the time of award of the amount by which the unpaid Fees and any other sums due and payable which would have been earned after termination until the time of award exceeds the amount of such rental loss TMO proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid Fees and any other sums due and payable for the balance of the term of this Agreement after the time of award exceeds the amount of such rental loss that TMO proves could be reasonably avoided; plus

(d) any other amount necessary to compensate City for all the detriment proximately caused by TMO's failure to perform its obligations under this Agreement or which in the ordinary course would be likely to result therefrom, including, without limitation, any costs or expenses incurred by City (i) in retaking possession of the Display Locations or the Licensed Area; (ii) in maintaining, repairing, preserving, restoring, replacing, cleaning, altering, remodeling or rehabilitating any affected portions of the Facilities or the Airport, including, without limitation, such actions undertaken in connection with entering into a new Media concession to a new concessionaire or tenant; (iii) for brokerage commissions, advertising costs and other expenses of entering into a new Media concession to a new concessionaire or tenant; or (iv) in carrying the Iconic

Media Structures, Advertising displays and other Media Elements, including, without limitation, taxes and utilities; plus

(e) such reasonable attorneys' fees incurred by City as a result of a Default, and costs in the event suit is filed by City to enforce such remedy; and plus

(f) at City's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable Laws.

As used in subsections (a) and (b) above, the "**worth at the time of award**" is computed by allowing interest at an annual rate equal to seven and one-half percent (7.5%) per annum or the maximum rate permitted by law, whichever is less. As used in subsection (c) above, the "**worth at the time of award**" is computed by discounting such amount at the discount rate of Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%).

TMO hereby waives for TMO and for all those claiming under TMO all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, TMO's right of occupancy of any portion of the Airport after any termination of this Agreement, specifically, TMO waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other pertinent present or future Laws, in the event TMO is lawfully evicted or City takes lawful possession of the Display Locations and the Licensed Area by reason of any Default of TMO hereunder.

11.2.2 Continuation of Agreement. In the event of any Default by TMO, then in addition to any other remedies available to City at law or in equity and under this Agreement, City shall have the remedy described in California Civil Code Section 1951.4, and the following provision from such Civil Code Section is hereby repeated: "The Lessor has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if Lessee has right to sublet or assign, subject only to reasonable limitations)." In addition, City shall not be liable in any way whatsoever for its failure or refusal to enter into a new Media concession. For purposes of this Section 11.2.2, the following acts by City will not constitute the termination of TMO's rights as Media concessionaire:

(a) Acts of maintenance or preservation or efforts to enter into a new Media concession, including, without limitation, alterations, remodeling, redecorating, repairs, replacements or painting as City shall consider advisable, or

(b) The appointment of a receiver upon the initiative of City to protect City's interest under this Agreement.

Even if TMO has abandoned the terminal media concession, this Agreement shall continue in effect for so long as City does not terminate TMO's right to possession, and City may enforce all its rights and remedies under this Agreement, including, without limitation, the right to recover Fees as it becomes due. Any such payments due City shall be made upon demand therefor from time to time and TMO agrees that City may file suit to recover any sums falling due from time to time. Notwithstanding the exercise by City of its right under this

Section to continue the Agreement without termination, City may do so without prejudice to its right at any time thereafter to terminate this Agreement in accordance with the other provisions contained in this Section.

11.2.3 Re-entry. In the event of any Default by TMO, City shall also have the right, with or without terminating this Agreement, in compliance with applicable law, to re-enter the Display Locations and the Licensed Area, by force if necessary, and remove all persons and property from the Display Locations and the Licensed Area; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of TMO.

11.2.4 Re-licensing. In the event that City shall elect to re-enter as provided in Section 11.2.3 or shall take possession of the Display Locations and the Licensed Area pursuant to legal proceeding or pursuant to any notice provided by law, then if City does not elect to terminate this Agreement as provided in Section 11.2.1, City may from time to time, without terminating this Agreement, enter into a new terminal media concession agreement for such term or terms and at such Fees or rentals and upon such other terms and conditions as City in its sole discretion may deem advisable. In the event that City shall elect to enter into a new terminal media concession agreement, then rentals received by City from such new concession shall be applied in the following order: (a) to reasonable attorneys' fees incurred by City as a result of a Default and costs in the event suit is filed by City to enforce such remedies; (b) to the payment of any indebtedness other than Fees due hereunder from TMO to City; (c) to the payment of any costs of such new concession; (d) to the payment of the costs of any alterations and repairs to the Display Locations or the Licensed Area; (e) to the payment of Fees due and unpaid hereunder; and (f) the residue, if any, shall be held by City and applied in payment of future Fees and other sums payable by TMO hereunder as the same may become due and payable hereunder. Should that portion of such rentals received from such new concession during any month, which is applied to the payment of Fees hereunder, be less than the Fees payable during the month by TMO hereunder, then TMO shall pay such deficiency to City. Such deficiency shall be calculated and paid monthly. TMO shall also pay to City, as soon as ascertained, any costs and expenses incurred by City in such re-licensing or in making such alterations and repairs not covered by the rentals received from such re-licensing.

11.2.5 Termination. No re-entry or taking of possession of the Display Locations or the Licensed Area by City pursuant to this Section 11.2 shall be construed as an election to terminate this Agreement unless a written notice of such intention is given to TMO or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding entering into any new terminal media concession agreement without termination by City because of any Default by TMO, City may at any time after entering into such new concession elect to terminate this Agreement for any such Default.

11.2.6 Cumulative Remedies. The remedies herein provided are not exclusive and City shall have any and all other remedies provided herein or by law or in equity including, without limitation, any and all rights and remedies of City under California Civil Code Section 1951.8, California Code of Civil Procedure Section 1161, et seq., or any similar, successor or related provision of Law.

11.2.7 No Surrender. No act or conduct of City, whether consisting of the acceptance of the keys to the Display Locations or the Licensed Area, or otherwise, shall be deemed to be or constitute an acceptance of the surrender of the Licensed Area by TMO prior to the expiration of the Term, and such acceptance by City of surrender by TMO shall only flow from and must be evidenced by a written acknowledgment of acceptance of surrender signed by City. The surrender of this Agreement by TMO, voluntarily or otherwise, shall not work a merger unless City elects in writing that such merger take place, but shall operate as an assignment to an assignee designated by the City of any and all existing Media Agreements, or City may, at its option, elect in writing to treat such surrender as a merger terminating TMO's estate under this Agreement, and thereupon City may terminate any or all such Media Agreements by notifying the Sponsor or Advertiser of its election so to do within thirty (30) days after such surrender.

11.2.8 City's Lien. In addition to any statutory lien City has, TMO hereby grants to City a continuing security interest for all sums of money becoming due hereunder upon personal property of TMO situated on or about the Display Locations and the Licensed Area and such property will not be removed therefrom without the consent of City until all sums of money then due City have been first paid and discharged. If a Default occurs under this Agreement, City will have, in addition to all other remedies provided herein or by law, all rights and remedies under the Uniform Commercial Code, including, without limitation, the right to sell the property described in this Section 11.2.8 at public or private sale upon fifteen (15) days' notice to TMO. This contractual lien will be in addition to any statutory lien for rent.

11.2.9 TMO's Waiver of Redemption. TMO waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other pertinent present or future Laws, in the event TMO is lawfully evicted or City lawfully takes possession of the Display Locations or the Licensed Area by reason of any Default of TMO hereunder.

11.3 Right to Remove Equipment. Subject to the provisions of Article VII and its subsections herein and Section 11.2.8, TMO shall have the right to remove its equipment, supplies, furnishings, inventories, removable fixtures and other trade fixtures and personal property from the Display Locations and the Licensed Area. If TMO fails to remove said property, said property shall be considered abandoned and City may dispose of same as it sees fit.

11.4 Surrender to be in Writing. No agreement of surrender or to accept surrender shall be valid unless acknowledged in writing by Executive Director. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of City shall be deemed an acceptance of a surrender of the Display Locations or the Licensed Area utilized by TMO under this Agreement.

11.5 Additional Rights of City. City, upon termination or cancellation of this Agreement, or upon reentry, regaining or resumption of possession of the Display Locations and the Licensed Area, may occupy the Display Locations and the Licensed Area and shall have the right to permit any person, firm or corporation to enter upon the Display Locations and the

Licensed Area and use the same. Such occupation by others may be of only a part of the Display Locations and the Licensed Area, or the whole thereof or a part thereof together with other space, and for a period of time the same as or different from the balance of the term remaining hereunder, and on terms and conditions the same as or different from those set forth in this Agreement. City shall also have the right to repair or to make such structural or other changes in the Display Locations and the Licensed Area as are necessary in its judgment to maintain the suitability thereof for uses and purposes similar to those granted under this Agreement.

11.6 Acceptance Is Not a Waiver. No acceptance by City of the fees and charges for other payments specified herein, in whole or in part, and for any period or periods, after a Default of any of the terms, covenants and conditions to be performed, kept or observed by TMO, other than the Default in the payment thereof, shall be deemed a waiver of any right on the part of City to cancel or terminate this Agreement on account of such Default.

11.7 Waiver Is Not Continuous. No waiver by City at any time of any Default on the part of TMO in the performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by TMO shall be or be construed to be a waiver at any time thereafter by City of any other or subsequent default in performance of any of said terms, covenants or conditions.

11.8 Reserved.

11.9 Survival of TMO's Obligations. In the event this Agreement is terminated or canceled by City, or in the event City re-enters, regains or resumes possession of the Display Locations and the Licensed Area, all of the obligations of TMO hereunder shall survive and shall remain in full force and effect for the full term of this Agreement, other than those obligations of TMO which expressly survive the expiration or earlier termination of this Agreement, which obligations shall survive the expiration or earlier termination of this Agreement for a period of time as may be set forth in any applicable statute of limitations.

11.10 Cancellation or Termination By TMO. This Agreement may be cancelled or terminated by TMO by giving a thirty (30) day written notice to City upon the happening of one or more of the occurrences specified in Sections 11.10.1 through 11.10.3.

11.10.1 Permanent Abandonment. The permanent abandonment of Airport's passenger terminals for use by airlines or the permanent removal of all certificated passenger airline service from Airport for a period in excess of thirty (30) consecutive days;

11.10.2 Material Restriction of Operation. The lawful assumption by the United States government, or any authorized agency thereof, of the operation, control or use of Airport, or any substantial part thereof, in such manner as to materially restrict TMO from operating thereon for a period of at least ninety (90) consecutive days; or

11.10.3 Federally-Required Amendments. Any exercise of authority as provided in Section 16.8 hereof which shall so interfere with TMO's use of the Display Locations and the Licensed Area as to constitute a termination, in whole, of this Agreement by operation of law in accordance with the Laws of the United States.

11.11 Damaged Improvements. In the event that the structural or other improvements or furnishings and supplies constructed or installed by TMO in any one or all of the Display Locations or the Licensed Area are damaged or destroyed, in whole or in part, from any cause whatsoever other than due to the gross negligence or intentional misconduct of City or the City Agents, TMO shall forthwith proceed with the removal of the debris and damaged or destroyed structural or other improvements, equipment, furnishings and supplies and thereafter shall proceed with all dispatch with the reconstruction work necessary to restore the damaged or destroyed Display Locations or the Licensed Area to the condition they were in prior to the occurrence of such damage or destruction and all costs and expense incurred in connection therewith shall be paid by TMO.

11.12 Service During Removal. Upon the termination, cancellation or expiration of this Agreement, and under circumstances permitting TMO to remove from the Display Locations or the Licensed Area removable property belonging to TMO, TMO will only be allowed to remove such property from the Display Locations or the Licensed Area in accordance with a transition plan approved in advance by the Executive Director. TMO will fully cooperate with City and any succeeding terminal media operator or concessionaire with respect to the Display Locations or the Licensed Area to ensure an effective and efficient transition of terminal media concession operations. Subject to any remedies which City may have to secure any unpaid fees or charges due under this Agreement, TMO shall have the right to remove from the Display Locations and the Licensed Area only those items of movable equipment and furnishings installed by it; provided, however, TMO shall repair all damage done to said areas and other City-owned property resulting from the removal of such machinery, equipment and fixtures.

11.13 City May Renovate. If, during the last month of this Agreement, TMO has removed all or substantially all of its property from the Display Locations and the Licensed Area, City may enter said Display Locations and the Licensed Area and alter, renovate or redecorate the same.

11.13.1 Viewing By Prospective Competitors. At any time, and from time to time, during ordinary business hours, within twelve (12) months preceding the expiration of the term of this Agreement, City, by its agents and employees, shall have the right to accompany prospective terminal media operators, concessionaires or users of the Display Locations and the Licensed Area, for the purpose of exhibiting and viewing all parts of the same.

11.13.2 Tenancy at Sufferance. Any holding over after the expiration of the Term or earlier termination of this Agreement with the written permission of the Executive Director, shall be a month-to-month tenancy at sufferance, terminable by the City or TMO by no less than thirty (30) days prior written notice, and shall otherwise be on the terms and conditions herein specified, so far as applicable. Any holding over after the expiration of the Term, or earlier termination of this Agreement, without the express written consent of City, shall constitute a Default and, without limiting City's remedies provided in this Agreement, such holding over shall be construed to be a tenancy at sufferance, at a rental rate equal to one hundred fifty percent (150%) of the MAG last due in this Agreement, plus Additional Fees, and shall otherwise be on the terms and conditions herein specified, so far as applicable. During any such period, TMO's Faithful Performance Guarantee shall continue

in effect. If the Display Locations and the Licensed Area is not surrendered at the end of the Term or sooner termination of this Agreement, and in accordance with the provisions of Sections 2.4 and Article XV, TMO shall indemnify, defend and hold City and City Agents harmless from and against any and all Claims resulting from delay by TMO in so surrendering the Display Locations or the Licensed Area including, without limitation, any Claims resulting from any claim against City or any City Agent made by any succeeding terminal media operator or concessionaire or prospective terminal media operator or concessionaire founded on or resulting from such delay and losses to City due to lost opportunities to lease or grant a concession to any portion of the Display Locations or the Licensed Area to any such succeeding terminal media operator or concessionaire or prospective terminal Media operator or concessionaire, together with, in each case, actual attorneys' fees and costs.

XII. DAMAGE OR DESTRUCTION TO LICENSED AREA.

12.1 Damage or Destruction to Display Locations or Licensed Area.

12.1.1 Insured Damage. If, during the term of this Agreement, the Licensed Area or any Improvements in or on the Display Locations are partially or totally destroyed from a risk covered by the insurance required to be maintained by TMO pursuant to Section 13.3 herein, thereby rendering said Display Locations or the Licensed Area partially or totally inaccessible or unusable, TMO shall restore the Display Locations or the Licensed Area to substantially the same condition as they were immediately before destruction. The proceeds from any property or casualty insurance policy or policies maintained by TMO relating to the Licensed Area and the Improvements in or on the Display Locations shall be used for the reconstruction of the Licensed Area or the Improvements in or on the Display Locations. In the event that for any reason TMO fails to use any such proceeds for the purpose of the reconstruction of the Licensed Area or the Improvements in or on the Display Locations, such proceeds shall be paid to City. If the proceeds from any property or casualty insurance policy maintained by TMO are insufficient to cover the cost of such restoration, or if TMO fail to maintain the required insurance, then TMO shall promptly contribute the shortfall necessary to complete the restoration.

12.1.2 Uninsured Damage. If, during the term of this Agreement, any Iconic Media Structure or Improvements are partially or totally destroyed from a risk not required to be covered by the property, casualty, or fire and extended coverage insurance required to be maintained by TMO pursuant to Section 13.3 herein, thereby rendering said Iconic Media Structure or Improvements partially or totally inaccessible or unusable, such destruction shall not automatically terminate this Agreement. If, however, the cost of restoration exceeds twenty five percent (25%) of the full replacement value of such Iconic Media Structure or Improvements, as said value existed immediately before said destruction, TMO may, at TMO's option, terminate this Agreement as to that portion of the Display Locations or the Licensed Area so damaged or destroyed by giving written notice to City within sixty (60) days from the date of discovery of such destruction. If TMO elects to terminate as above provided, TMO shall be obligated, unless otherwise directed by City, to demolish all damaged improvements and remove all debris from the Airport at TMO's sole cost. If TMO fails to exercise its right to terminate this Agreement or if such damage was the result of the

negligent act or omission of TMO or any TMO Party, this Agreement shall continue in full force and effect for the remainder of the term specified herein and TMO shall restore the Iconic Media Structure or Improvements to substantially the same condition as they were in immediately before destruction.

12.1.3 Abatement of Fees. Except as expressly provided in this Section, 12.1.3, TMO's obligation to pay Fees under this Agreement shall not be abated during the period of any damage, destruction or restoration. In the event of substantial damage or destruction to all or a portion of the Display Locations or the Licensed Area that are not the result of the negligence or intentional misconduct of TMO or any of the TMO Parties, then the MAG with respect to any Advertising Displays, Sponsorship Activations or other Media Elements within such Display Locations or the Licensed Area shall be equitably abated in proportion to the degree to which the use of any Advertising Displays, Sponsorship Activations or other Media Elements within such Display Locations or the Licensed Area is impaired as a result of such damage or destruction as reasonably determined by the Executive Director. With respect to such damage or destruction of the Improvements, the time period for such abatement shall not extend beyond the time reasonably necessary for TMO to repair or restore the Improvements as determined by the Executive Director. In the event of damage or destruction to the Improvements that are the result of the negligence or intentional misconduct of TMO or any of the TMO Parties, then the MAG shall not be abated. TMO acknowledges that TMO is solely responsible for obtaining business interruption insurance to insure itself against loss during any period of damage, destruction or restoration.

12.2 Limits of City's Obligations. City shall have absolutely no obligation to repair or restore the Display Locations or the Licensed Area in the event of any damage or destruction, except to the extent caused solely by the gross negligence or intentional misconduct of City or the City Agents. All obligations in connection with the damage or destruction of the Display Locations or the Licensed Area are the responsibility of TMO, and City shall have no liability or responsibility for such damage, destruction, repair or restoration, except to the extent caused solely by the gross negligence or intentional misconduct of City or the City Agents.

12.3 Destruction Near End of Term. In the event that substantial damage or destruction of all or a portion of the Display Locations or the Licensed Area occurs during the final year of the Term, and the repair or restoration necessitated by such substantial damage or destruction would under normal construction procedures require more than three (3) months to complete, in the mutual reasonable judgment of TMO and the Executive Director, then either City or TMO may terminate this Agreement as to the portion of the Display Locations or the Licensed Area so damaged or destroyed by giving written notice to the other party within forty five (45) days following such damage or destruction. Such termination shall be effective as of the date of such substantial damage or destruction. If either party so elects to terminate as provided above, TMO will be entitled to retain from the proceeds of its fire or other casualty insurance policies required to be maintained pursuant to this Agreement an amount equal to the Convenience Termination Payment for the terminated Display Locations or the Licensed Area, with the balance of the proceeds of such required insurance being paid to City.

12.4 Destruction of Facility. If any portion of the Facility in which the Display Locations or the Licensed Area are located shall be substantially damaged or destroyed by fire or

other casualty, either party may terminate this Agreement as to the portion of the Display Locations or the Licensed Area that are located within such Facility, unless City notifies TMO within ninety (90) days following such damage or destruction of City's election to restore such Facility (which election shall be in the Executive Director's sole discretion). Such termination shall be effective as of the date of such substantial damage or destruction, or such other date as may be reasonably determined by the Executive Director, but not in excess of ninety (90) days following any such date of substantial damage or destruction. In the event of such termination, the Fees shall be equitably adjusted to reflect the loss of such Display Locations or the Licensed Area and any impact to the Gross Revenues as a result thereof, and to the extent that TMO's Improvements within such terminated Display Locations or the Licensed Area were undamaged, TMO shall receive the Convenience Termination Payment under Section 9.2.1 above with respect to such terminated Display Locations or the Licensed Area (it being understood that no Convenience Termination Payment shall be made with respect to damaged or destroyed Improvements within the Display Locations or the Licensed Area, but TMO will be entitled to retain from the proceeds of its fire or other casualty insurance policies required to be maintained pursuant to this Agreement an amount equal to the Convenience Termination Payment for the terminated Display Locations or the Licensed Area, with the balance of the proceeds of such required insurance being paid to City).

12.5 Waiver. TMO hereby waives any rights to terminate this Agreement it may have under California Civil Code Sections 1932 and 1933.

XIII. LIABILITY.

13.1 Liability. TMO shall comply with the indemnification and insurance provisions which follow.

13.2 City Held Harmless. In addition to the requirements of Section 13.3 herein, TMO shall indemnify, defend, keep and hold City and City Agents harmless from and against any and all Claims arising out of or in relation to (i) the use and occupancy of any portion of the Airport by TMO or any of the TMO Parties; (ii) any acts or omissions of TMO or any of the TMO Parties; (iii) any Default by TMO, including the inaccuracy or breach of any representation or warranty of TMO made pursuant to this Agreement, any breach of Section 5.1.3 and any provision of this Agreement requiring the protection or security of the City Data; (iv) TMO's use of, or failure to maintain as required by this Agreement, any of the City's Licensed Area (including without limitation the Iconic Media Structures and the Foundational Content), Display Locations and other Media Elements, or any other materials furnished by the City under this Agreement in contravention of this Agreement; and (v) any Claims that any Advertisement, Customized Content, TMO Content or other Media (other than with regard to any Foundational Content or other Intellectual Property provided by the City or City Agents for use by TMO in connection with the performance of TMO's obligations under this Agreement) violate any applicable Laws, including without limitation, VARA, applicable copyright, trademark, patent and other Intellectual Property Laws, including but not limited to rights of privacy and rights of publicity, unfair competition, false advertising and trade secret claims and assertions. The foregoing defense and indemnification obligations of TMO shall include, without limitation, all Claims asserted by anyone by reason of injury to or death of persons, including TMO or any of the TMO Parties, or damage to or destruction of property, including property of TMO or any of

the TMO Parties, sustained in, or about the Airport, except to the extent that any such Claims are due to the sole negligence or intentional misconduct of City or any of the City Agents other than TMO.

13.3 Insurance. TMO shall procure at its expense, and keep in effect at all times during the term of this Agreement from and after the Effective Date, the types and amounts of insurance specified on Insurance, Exhibit "G" attached hereto and incorporated by reference herein, including, without limitation, all-risk casualty and property damage insurance to be maintained by TMO, at TMO's expense, covering the Iconic Media Structures and all Improvements, which policy shall be in the name of TMO and City with loss payable endorsement in a form reasonably approved by City. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City and all of City Agents, their successors and assigns, as additional insureds, against the areas of risk described on Exhibit "G" with respect to acts or omissions of TMO or any of the TMO Parties in their respective operation, use, and occupancy of the Airport or other related functions performed by or on behalf of TMO or any of the TMO Parties in, on or about Airport.

13.3.1 Each specified insurance policy (other than Workers' Compensation and Employer's Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under its Terminal Media Operator Agreement with the City of Los Angeles."

13.3.2 All such insurance shall be primary and noncontributing with any other insurance held by City where liability arises out of or results from the acts or omissions of TMO or any of the TMO Parties. Such policies may provide for such reasonable deductibles and retentions as are acceptable to Executive Director based upon the nature of TMO's operations and the type of insurance involved. Any such insurance required of TMO hereunder may be furnished by TMO under any blanket policy carried by it or under a separate policy therefor, provided that the insurance carried by TMO under any such blanket policy shall be primary and noncontributing with any other insurance held by City.

13.3.3 City shall have no liability for any premiums charged for such coverage(s). The inclusion of City and City Agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venturer with TMO in TMO's operations at Airport. In the event TMO fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) days prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of TMO, and TMO agrees to promptly reimburse City for the cost thereof plus the Administrative Fee for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

13.3.4 At least five (5) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, TMO shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

13.3.5 TMO shall provide proof of all specified insurance and related requirements to City by production a Certificate of Insurance on a standard insurance industry ACCORD form with production of redacted copies of the actual insurance policy(ies) (items to be redacted may be anything deemed confidential by TMO) to be provided by TMO promptly thereafter, by use of City's own endorsement form(s), by broker's letter acceptable to the Executive Director in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Executive Director. In the event that the Executive Director determines that it is necessary to review any redacted portion of any such insurance policy, TMO shall promptly arrange for in camera review of such redacted portion of such insurance policy by the Executive Director through reasonable procedures designed to protect confidential information contained therein from disclosure to third parties. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of the Code prior to TMO occupying any part of the Airport. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

13.3.6 City and TMO agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this Agreement by the Executive Director who may, thereafter, require TMO, on thirty (30) days prior written notice, to adjust the amounts of insurance coverage to whatever reasonable amount said Executive Director deems to be adequate.

13.3.7 Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations or directives from the State Department of Insurance or other regulatory board or agency. TMO agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

13.3.8 To the fullest extent permitted by law and except for the gross negligence or intentional misconduct by City or the City Agents, TMO, on behalf of TMO and its insurers, hereby waives, releases and discharges City and all City Agents from all Claims arising out of damage to or destruction of the Display Locations or the Licensed Area, or to TMO's Improvements, fixtures, trade fixtures or other personal property located on or about the Display Locations or the Licensed Area, and any loss of use or business

interruption, caused by any casualty, regardless whether any such Claim results from the negligence or fault of City or any City Agent, and TMO will look only to TMO's insurance coverage (regardless whether TMO maintains any such coverage) in the event of any such Claim. Any property insurance which TMO maintains must permit or include a waiver of subrogation in favor of City and all City Agents.

13.3.9 City's establishment of minimum insurance requirements for TMO in this Agreement is not a representation by City that such limits are sufficient and does not limit TMO's liability under this Agreement in any manner.

XIV. TRANSFER.

14.1 Transfer Prohibited. TMO shall not, in any manner, directly or indirectly, by operation of law or otherwise, hypothecate, assign, transfer, or encumber this Agreement, or any right or privilege appurtenant thereto, or allow any other person (the employees and invitees of TMO excepted) to occupy or use the Display Locations or the Licensed Area, or any portion thereof ("**Transfer**"), without the prior written consent of the Board, which may be granted, denied or conditioned in Board's sole discretion. Any written request for consent to a Transfer shall include proposed documentation evidencing such Transfer, name and address of the proposed transferee and the nature and character of the business of the proposed transferee and shall provide current and three (3) years prior financial statements for the proposed transferee, which financial statements shall be audited to the extent available and shall in any event be prepared in accordance with generally accepted accounting principles (collectively, a "**Transfer Request**"). This Agreement shall not, nor shall any interest therein, be assignable as to the interest of TMO by operation of law without the prior written consent of Board.

14.2 Transfer. For purposes of this Agreement, the term "**Transfer**" shall also include, but not be limited to, the following: (i) if TMO is a joint venture, a limited liability company, or a partnership, the transfer of fifty percent (50%) or more of the interest or membership in the joint venture, the limited liability company, or the partnership; (ii) if TMO is a corporation, any cumulative or aggregate sale, transfer, assignment, or hypothecation of fifty percent (50%) or more of the voting shares of TMO; (iii) the dissolution by any means of TMO; (iv) the involvement of TMO or its assets in any transaction or series of transactions (by way of merger, sale of stock, sale of assets, acquisition, financing, refinancing, transfer, leveraged buyout or otherwise) which results in or will result in TMO no longer being at least fifty one percent (51%) owned and controlled (through either direct or indirect ownership) by Guarantor; and (v) the involvement of Guarantor or its assets in any transaction or series of transactions (by way of merger, sale of stock, sale of assets, acquisition, financing, refinancing, transfer, leveraged buyout or otherwise) which results in or will result in either a reduction of Guarantor's net worth as stated in the most current financial statements contained in the Proposal or Guarantor no longer being at least fifty one percent (51%) owned and controlled (through either direct or indirect ownership) by JCDecaux North America, Inc. Any such transfer, assignment, mortgaging, pledging, or encumbering of TMO without the written consent of Board is a violation of this Agreement and shall be voidable at City's option and shall confer no right, title, or interest in or to this Agreement upon the assignee, mortgagee, pledgee, encumbrancer, or other lien holder, successor, or purchaser. The parties acknowledge that changes in indirect ownership of either TMO or Guarantor resulting solely from the public trading of the securities

of JCDecaux North America, Inc. does not constitute a Transfer as defined above. TMO may assign its interest under this Agreement to a wholly-owned subsidiary of TMO, to Guarantor, or to a wholly owned subsidiary of Guarantor and such assignment shall not constitute a Transfer as defined above; provided that TMO shall give City not less than sixty (60) days' prior written notice of such assignment, and provided further that neither TMO nor Guarantor shall be released from any of their obligations under this Agreement.

14.3 Sponsorship and Advertising Agreements Not A Transfer. Notwithstanding the definition of "Transfer" set forth in Sections 14.1 and 14.2 above, any Media Agreement entered into by TMO and approved as provided in this Agreement shall not be considered a "Transfer" under this Article XIV.

14.4 No Further Consent Implied. A consent to one Transfer shall not be deemed to be a consent to any other or subsequent Transfer, and consent to any Transfer shall in no way relieve TMO of any liability under this Agreement. Any Transfer without City's consent shall be void, and shall confer no right, title, or interest in or to this Agreement upon the assignee, mortgagee, pledgee, encumbrancer, or other lien holder, successor, or purchaser and shall, at the option of City, constitute a Default under this Agreement.

14.5 No Release. Notwithstanding any Transfer, TMO and any guarantor of TMO's obligations under this Agreement shall at all times remain fully and primarily responsible and liable for the payment of the Fees and for compliance with all of TMO's other obligations under this Agreement (regardless of whether City's approval has been obtained for any such Transfer), except to the extent that TMO or its Guarantor is expressly released in writing by City.

14.6 Payment of City's Costs. In connection with any Transfer, TMO shall pay to City as Additional Fees hereunder an administrative processing fee in the amount of \$2,500.00, plus reasonable attorneys' fees and costs (including, without limitation, the fees and costs attributable to City's in-house City Attorneys) incurred by City in connection with City's review and processing of documents regarding any proposed Transfer.

14.7 Incorporation of Terms. Each Transfer pursuant to this Section shall be subject to all of the covenants, agreements, terms, provisions and conditions contained in this Agreement and each of the covenants, agreements, terms, provisions and conditions of this Agreement shall be automatically incorporated therein. If City shall consent to, or withhold its consent to, any proposed Transfer, TMO shall indemnify, defend and hold harmless City and City Agents from and against and from any and all Claims that may be made against City or any City Agent by the proposed transferee or by any brokers or other persons claiming a commission or similar fee in connection with the proposed Transfer.

14.8 Right to Collect Fees Directly. If this Agreement is transferred or assigned, whether or not in violation of the provisions of this Agreement, City may collect Fees from such transferee or assignee. If the Display Locations or the Licensed Area or any part thereof is sub-licensed or used or occupied by anyone other than TMO, whether or not in violation of this Agreement, City may, after a Default by TMO, collect Fees from the occupant. In either event, City may apply the net amount collected to Fees, but no such assignment, sub-licensing, occupancy or collection shall be deemed a waiver of any of the provisions of this Article XIV, or

the acceptance of the assignee, occupant as TMO, or a release of TMO from the further performance by TMO of TMO's obligations under this Agreement. The consent by City to any Transfer pursuant to any provision of this Agreement shall not, except as otherwise provided herein, in any way be considered to relieve TMO from obtaining the express consent of City to any other or further Transfer. References in this Agreement to use or occupancy of the Licensed Area or any portion thereof by anyone other than TMO shall not be construed as limited to Sponsors or Advertisers and those claiming under or through Sponsors and Advertisers but as including also licensees or others claiming under or through TMO, immediately or remotely.

14.9 Reasonableness of Restrictions. TMO acknowledges and agrees that the restrictions, conditions and limitations imposed by this Article XIV on TMO's ability to Transfer this Agreement or any interest herein, the Display Locations or the Licensed Area or any part thereof, to Transfer any right or privilege appurtenant to the Display Locations or the Licensed Area, or to allow any other person to occupy or use the Display Locations or the Licensed Area or any portion thereof, are, for the purposes of California Civil Code Section 1951.4, as amended from time to time, and for all other purposes, reasonable at the time that this Agreement was entered into, and shall be deemed to be reasonable at the time that TMO seeks to Transfer this Agreement or any interest herein, the Display Locations or the Licensed Area or any part thereof, to Transfer any right or privilege appurtenant to the Display Locations or the Licensed Area, or to allow any other person to occupy or use the Display Locations or the Licensed Area or any portion thereof. TMO's sole remedy if City withholds its consent to any Transfer in violation of TMO's rights under this Agreement shall be injunctive relief, and TMO hereby expressly waives California Civil Code Section 1995.310, which permits all remedies provided by law for breach of contract, including, without limitation, the right to contract damages and the right to terminate this Agreement if City withholds consent to a Transfer in violation of TMO's rights under this Agreement, and any similar or successor statute or law in effect or any amendment thereof during the Term.

14.10 Transfer Premium. If City approves any Transfer as herein provided, TMO shall pay to City, as Additional Fees, twenty percent (20%) of any monetary or other economic consideration received by TMO as a result of the Transfer over and above the amount of TMO's rental and other payments due City pursuant to this Agreement (or applicable share, if a sublease) (excluding any consideration attributed to assets other than this Agreement) after first deducting the unamortized cost of the Initial Improvements and other Alterations which costs had been approved by City and paid for by TMO. The agreement evidencing such Transfer, as the case may be, after approval by City, shall not be amended without City's prior written consent, and, at City's option, shall contain a provision directing such transferee to pay the rent and other sums due thereunder directly to City upon receiving written notice from City that TMO is in Default under this Agreement following applicable notice and cure periods with respect to the payment of Fees. In the event that, notwithstanding the giving of such notice, TMO collects any rent or other sums from such transferee, then TMO shall hold such sums in trust for the benefit of City and shall immediately forward the same to City. City's collection of such rent and other sums shall not constitute an acceptance by City of attornment by such transferee.

XV. HAZARDOUS MATERIALS.

15.1 Prohibition; TMO Responsibility. Except as may be specifically approved in writing in advance by Executive Director ("**Permitted Hazardous Materials**"), TMO (and its contractors and subcontractors) shall not use, store, handle, generate, treat, dispose, discharge or release any Hazardous Materials at the Airport in connection with its use, occupancy, and operation of the Media concession; provided, however, Executive Director shall not unreasonably withhold its approval to TMO's (or its contractors' or subcontractors') use, storage and handling of common cleaning materials routinely present in businesses conducting the Permitted Use to the extent such materials are used strictly in accordance with applicable Laws, manufacturer's instructions and best management practices. TMO agrees to accept sole responsibility for full compliance with all Hazardous Materials Laws relating to the activities of TMO or any TMO Party the Airport, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any Improvements, on the user of the land, or on the user of the improvements. TMO agrees that any damages, penalties or fines levied on City or TMO as a result of noncompliance with any of the above shall be the sole responsibility of TMO; provided, however, TMO shall not have any responsibility or liability with respect to any Pre-Existing Hazardous Materials, except to the extent of TMO's active negligence in the disturbance or other handling of such Pre-Existing Hazardous Materials (such as asbestos containing materials that may be incorporated in the existing improvements located on or about the Display Locations or the Licensed Area and may be disturbed during TMO's construction activities) and such disturbance or handling was not in compliance with applicable Hazardous Materials Laws. Further, TMO shall indemnify, defend, protect and pay and reimburse and hold City any City Agents harmless from any Claims that City or any City Agent suffers or incurs as a result of noncompliance with TMO's express obligations set forth above. TMO agrees that any actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), demands, expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities, liens or losses (collectively, "**Environmental Claims**") asserted against or levied on the Airport, the City or TMO as a result of noncompliance with any of TMO's express obligations set forth in this Section shall be the sole responsibility of TMO and that TMO shall indemnify, defend and hold City and City Agents harmless from all such Environmental Claims. Further, City may, at its option, pay such Environmental Claims resulting from TMO's non-compliance with any of the terms of this Section, and TMO shall reimburse City for any such payments within thirty (30) days after written demand therefor.

15.2 Spill - Clean-Up. From and after the Delivery Date with respect to any portion of the Display Locations or the Licensed Area, in the case of any Hazardous Materials spill, leak, discharge, or improper storage on the Display Locations or the Licensed Area or contamination of the Display Locations or the Licensed Area by any person, TMO shall make or cause to be made any necessary repairs or corrective actions and shall clean up and remove any leakage, contamination or contaminated materials. In the case of any Hazardous Materials spill, leak, discharge or contamination by TMO or any of the TMO Parties at the Display Locations or the

Licensed Area or in, on or under adjacent property which affects other property of City or its tenants' property, TMO shall make or require to be made any necessary corrective actions to clean up and remove any spill, leakage or contamination and contaminated materials. In the case of any Hazardous Materials spill, leak, discharge or contamination by City or any of the City's Agents within the Facilities, City shall take or require to be taken any necessary corrective action required under applicable Hazardous Materials Laws to clean up and remove such spill, leakage, discharge or contamination. If TMO fails to repair, clean up, properly dispose of or take any other corrective actions as required in this Section 15.2, City shall have the right (but not the obligation) to take all steps it deems necessary to properly repair, clean up or otherwise correct the conditions resulting from the spill, leak or contamination. In connection therewith, TMO shall be listed as the owner or "generator" of any Hazardous Materials listed on any Hazardous Waste Manifest and in connection with any reporting made to any governmental entity. Except as otherwise set forth in this Section 15.2, any such repair, cleanup or corrective actions taken by City as the result of TMO's failure to comply with TMO's obligations under this Section 15.2 shall be at TMO's sole cost and expense and TMO shall indemnify, defend, pay for and reimburse and hold City and City Agents harmless from and against any and all costs (including without limitation, the Administrative Fee) City incurs as a result of any repair, cleanup or corrective action City takes to correct any act or failure to act by TMO.

15.3 Provision to City of Environmental Documents. TMO shall promptly supply City with complete and legible copies of all notices, reports, correspondence, and other documents sent by TMO to or received by TMO from any governmental entity or third party regarding any Hazardous Materials relating to the Display Locations or the Licensed Area or TMO's operations at the Airport. Such written materials include, without limitation, all documents relating to any threatened or actual Hazardous Materials spill, leak, or discharge, or to any investigations into or clean-up of any actual or threatened Hazardous Materials spill, leak, or discharge including all test results, or any Environmental Claims related to the Display Locations or the Licensed Area, or TMO's use, occupancy or operations at the Licensed Area. If City shall receive any of the foregoing which may relate to the Display Locations or the Licensed Area, City shall promptly notify TMO and provide copies thereof with such notice.

15.4 Hazardous Materials Continuing Obligation. This Section and the obligations herein shall survive the expiration or earlier termination of this Agreement for a period equal to any applicable statute of limitations under any applicable Hazardous Materials Laws.

XVI. OTHER PROVISIONS.

16.1 Other Provisions. The appearance of any provision in this Section shall not diminish its importance.

16.2 Cross Default. A material default of the terms of any other lease, license, permit, or agreement held by TMO with the City shall constitute a material Default of the terms of this Agreement and shall give City the right to terminate this Agreement for cause in accordance with the procedures set forth in this Agreement.

16.3 City's Right of Access and Inspection. City, by its officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the

Display Locations or the Licensed Area for the purpose of inspecting the same, for observing the performance by TMO of its obligations under this Agreement or for doing any act or thing which City may be obligated or have the right to do under this Agreement, or otherwise, and no abatement of fees and charges shall be claimed by or allowed to TMO by reason of the exercise of such right. City shall provide TMO with at least 24 hours prior written notice delivered to TMO's office in the Facility, provided, no such prior notice shall be required to be given in the event of any emergency or other matter involving public safety as determined by the Executive Director in his or her sole discretion. Upon City's written request, responsible representatives of TMO will confer with representatives of City for the purpose of making a complete inspection of TMO's operations, including a review of the maintenance of the Display Locations or the Licensed Area, furnishings and equipment and such other items as City may wish to review.

16.4 Automobiles and Other Equipment. Subject to compliance with City's permitting and security clearance requirements, TMO shall have the right to use, hire or contract for such automotive vehicles or other mechanized equipment and the services thereof as it determines to be necessary for the operation of the terminal Media operator concession herein authorized; provided, however, that the nature, size, type, character and condition of such automotive vehicles and mechanized equipment (including any requirements that such vehicles or other equipment comply with any LEED, "green" or energy efficiency requirements and policies of the City then in effect) shall be subject to prior written approval of Executive Director before the same is placed in operation. Upon placing such equipment in operation, TMO shall strictly comply with such rules and regulations as Executive Director may issue, from time to time, covering operation of such equipment and the time periods therefore, the routes over any of the aprons necessary to the operation of the concession, the location of the parking and storage areas for such equipment, the maintenance of the mechanical condition, appearance, neatness, cleanliness and sanitary condition of such equipment and the cleanliness, neat appearance and conduct and demeanor of TMO's or other personnel operating the same (including, without limitation, any requirements imposed by any Private Restrictions (including, without limitation, that certain Community Benefits Agreement). All of said personnel shall have all licenses required by law and shall also be licensed by City, and City may require periodic inspections of such equipment by City representatives. Approval of inspected equipment may be evidenced by a decal or sticker to be placed on same as required by City. A nominal fee to cover such licensing and inspection services may be charged by City.

16.5 Notices. Notice to City. Written notices to City hereunder, with a copy to the City Attorney of the City of Los Angeles, shall be given by United States mail, postage prepaid, certified, or by personal delivery or nationally recognized overnight courier, and addressed to City at the addresses set forth in the Basic Information or to such other address as City may designate by written notice to TMO.

16.5.2 Notice to TMO. Written notices to TMO hereunder shall be given by United States mail, postage prepaid, certified, or by personal delivery or nationally recognized overnight courier, and addressed to TMO at the address set forth in the Basic Information or to such other address as TMO may designate by written notice to City.

16.5.3 The execution of any such notice by Executive Director shall be as effective as to TMO as if it were executed by the Board, or by resolution or order of said

Board, and TMO shall not question the authority of Executive Director to execute any such notice.

All such notices to City, except as otherwise provided herein, may be delivered personally to Executive Director with a copy to the Office of the City Attorney, Airport Division. Notices shall be deemed given upon actual receipt (or attempted delivery if delivery is refused), if personally delivered, or one (1) business day following deposit with a reputable overnight courier that provides a confirmation receipt (or refusal), or on the fifth (5th) day following deposit in the United States mail in the manner described above. In no event shall either party use a post office box or other address which does not accept overnight delivery.

16.6 Agent for Service of Process. If TMO is not a resident of the State of California, or is a partnership or joint venture without a partner or member resident in said State, or is a foreign corporation, then in any such event TMO does designate the Secretary of State, State of California, its agent for the purpose of service of process in any court action between it and City arising out of or based upon this Agreement, and the service, shall be made as provided by the Laws of the State of California for service upon a non-resident. Notwithstanding the above, City agrees that service of process shall be made on TMO's Registered Agent or such successor Registered Agent as TMO may notify City from time to time. If, for any reason, service of such process is not possible, as an alternative method of service of process, TMO may be personally served with such process out of this State by mailing, by registered or certified mail, the complaint and process to TMO at the address for notice as set forth in the Basic Information, and that such service shall constitute valid service upon TMO as of the date of mailing, and TMO shall have thirty (30) days from the date of mailing to respond thereto. TMO agrees to the process so served, submits to the jurisdiction and waives any and all objection and protest thereto, and Laws to the contrary notwithstanding.

16.7 Restrictions and Regulations. The operations conducted by TMO pursuant to this Agreement shall be subject to: (a) any and all applicable rules, regulations, orders and restrictions which are now in force or which may be hereafter adopted by City, Board or Executive Director with respect to the operation of Airport; (b) any and all orders, directions or conditions issued, given or imposed by City, Board or Executive Director with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas or public areas at the Airport; and (c) any and all other Laws, including Environmental Laws, or other directions of any governmental authority, federal, state or municipal, lawfully exercising authority over Airport or TMO's operations. TMO shall be solely responsible for any and all civil or criminal penalties assessed as a result of its failure to comply with any such Laws. City shall not be liable to TMO for any diminution or deprivation of TMO's rights hereunder on account of the exercise of any such authority, nor shall TMO be entitled to terminate the whole or any portion of this Agreement by reason thereof.

16.8 Right to Amend. In the event that the FAA or its successors requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of Airport, TMO agrees to consent to such amendments, modifications, revisions, supplements or deletions or any of the terms conditions or requirements of this Agreement as may be reasonably required to obtain such funds; provided, however, that in no event will TMO be required, pursuant to this Section, to agree to an increase in the fees and

charges provided for herein. In the event that such required amendment results in a material decrease in TMO Gross Revenues, then the Executive Director will use good faith efforts to recommend for approval to the Board an amendment to this Agreement providing for an equitable adjustment to the MAG as reasonably determined by the Executive Director following consultation with TMO (it being understood, however, that such amendment to adjust the MAG shall require the approval of the Board acting in the Board's sole and absolute discretion). As a condition to the Executive Director's recommending such amendment, TMO shall have demonstrated to the reasonable satisfaction of the Executive Director, based on a six (6) month review of operations following the implementation of such required amendment, that such required amendment is resulting in a material decrease in TMO's Gross Revenues.

16.9 Independent Contractor. It is the express intention of the parties that TMO is an independent contractor and not an employee, agent, joint venturer or partner of City. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between TMO and City or between TMO and any official, agent, or employee of City. Both parties acknowledge that TMO is not an employee of City. TMO shall retain the right to perform services for others during the term of this Agreement, unless specified to the contrary herein or prohibited by conflict of interest or ethics Laws, regulations, or professional rules of conduct.

16.10 Disabled Access. TMO shall be solely responsible for fully complying with any and all applicable present or future Laws regarding disabled access to or use of the Licensed Area, including any services, programs, improvements or activities provided by TMO. TMO shall be solely responsible for any and all Claims and damages caused by, or penalties levied as the result of, TMO's noncompliance. Further, TMO agrees to cooperate fully with City in its efforts to comply with the ADA.

Should TMO fail to comply with Section 16.10, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. TMO shall then be required to reimburse City for the actual cost of achieving compliance, plus the Administrative Fee, within thirty (30) days of written demand therefor.

16.11 Child Support Orders. This Agreement is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. A copy of section 10.10 has been attached hereto for the convenience of the parties as Exhibit "H". Pursuant to this Section, TMO (and any subcontractor of TMO providing services to City under this Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for TMO's or TMO's subcontractor's employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of TMO and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Agreement. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of TMO or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s)

of TMO or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a Default of this Agreement subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to TMO by City (in lieu of any time for cure provided elsewhere in this Agreement).

16.12 Business Tax Registration. TMO represents that it has registered its business with the Office of Finance of the City of Los Angeles and has obtained and presently holds from that Office a Business Tax Registration Certificate ("**BTRC**"), or a Business Tax Exemption Number, required by the City of Los Angeles' Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of the City of Los Angeles' Municipal Code). TMO shall maintain, or obtain as necessary, all such certificates required of it under said Ordinance and shall not allow any such certificate to be revoked or suspended during the term hereof.

16.13 Ordinance and Code Language Governs. Ordinance and Code exhibits to this Agreement are provided as a convenience to the parties only. In the event of a discrepancy between the exhibits and the provisions of the applicable ordinance or Code, or amendments thereto, the provisions of the ordinance or Code shall govern.

This Agreement is in all respects subject and subordinate to any and all City bond ordinances applicable to the Airport and airport system and to any other bond ordinances, which should amend, supplement or replace such bond ordinances. The City and TMO acknowledge and agree that all property subject to this Agreement which was financed by the net proceeds of tax-exempt bonds is owned by the City, and TMO agrees not to take any action that would impair, or omit to take any action required to confirm, the treatment of such property as owned by the City for purposes of Section 142(b) of the Internal Revenue Code of 1986, or any successor provision of Law. In particular, TMO agrees to make, and hereby makes, an irrevocable election (binding upon itself and all successors in interest under this Agreement) not to claim depreciation or an investment credit with respect to any property subject to this Agreement which was financed by the net proceeds of tax-exempt bonds and shall execute such forms and take such other action as the City may request in order to implement such election.

16.14 Amendments to Ordinances and Codes. The obligation to comply any Ordinances and Codes which have been incorporated into this Agreement by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Agreement.

16.15 Non-Discrimination and Affirmative Action Provisions.

16.15.1 Federal Non-Discrimination Provisions. TMO assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap, be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates TMO or its transferee for the period during which Federal assistance is extended to the Airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the 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 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.

16.15.2 Municipal Non-Discrimination Provisions In Use of Airport. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, gender identity, gender expression, age, physical handicap, marital status, domestic partner status, or medical condition in connection with this Agreement, the transfer, use, occupancy, tenure, or enjoyment of the Airport or any operations or activities conducted on the Airport. Nor shall TMO establish or contract any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of contractors, subcontractors, or vendees of the Airport. Any Media Agreement, which may be permitted under this Agreement, shall also be subject to all non-discrimination clauses contained in this Section 16.15.

16.15.3 Municipal Non-Discrimination Provisions in Employment. During the term of this Agreement, TMO agrees and obligates itself in the performance of this Agreement not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, gender identity, gender expression age, physical handicap, marital status, domestic partner status, or medical condition. TMO shall take affirmative action to insure that applicants for employment are treated, during the term of this Agreement, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.

16.15.4 Municipal Equal Employment Practices. If the total payments made under this Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this Agreement, TMO agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("***Equal Employment Practices***"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Agreement for the convenience of the parties as Exhibit "T". By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of TMO to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material Default of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to TMO. Upon a finding duly made that TMO has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.

16.15.5 Municipal Affirmative Action Program. During the performance of this Agreement, TMO agrees to comply with Section 10.8.4 of the Code ("***Affirmative Action Program***"), which is incorporated herein by this reference. A copy of Section 10.8.4 has been attached to this Agreement for the convenience of the parties as Exhibit "J". By

way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Code, the failure of TMO to comply with the Affirmative Action Program provisions of this Agreement may be deemed to be a material Default of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to TMO. Upon a finding duly made that TMO has failed to comply with the Affirmative Action Program provisions of this Agreement, this Agreement may be forthwith terminated, cancelled, or suspended.

16.15.6 Non-Discriminatory Pricing. TMO shall furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that TMO may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

16.16 Security - General.

TMO shall be responsible for fully complying with any and all applicable present or future Laws regarding airfield security.

16.16.1 Security - TSA. TMO shall be responsible for the maintenance and repair of gates and doors that are controlled by TMO. TMO shall comply fully with applicable provisions of the Transportation Security Regulations, 49 CFR, Part 1500, et seq. ("**Part 1500**"), including the establishment and implementation of procedures acceptable to Executive Director to control access from any area controlled by TMO to the air operation areas in accordance with the Airport Security Program required by Part 1500.

16.16.2 Security - Doors and Gates. Gates and doors controlled by TMO, if any, which permit entry into restricted areas at Airport shall be kept locked by TMO at all times when not in use or under TMO's constant security surveillance. Gate or door malfunctions which permit unauthorized entry into restricted areas shall be reported to Department of Airports' Operations Bureau without delay and shall be maintained under constant surveillance by TMO until repairs are affected by TMO or City or the gate or door is properly secured.

16.16.3 Security - Penalties. All civil penalties levied by the TSA for violation of Part 1500 pertaining to security gates or doors controlled by TMO shall be the sole responsibility of TMO. TMO agrees to indemnify, defend and hold City and City Agents harmless from and against any Claims or any federal civil penalties amounts City or any City Agent must pay due to any security violation arising from the use of the Licensed Area or the breach of any obligation imposed by this Section. TMO will be billed for the cost of any such penalties paid by City as Additional Fees hereunder, plus the Administrative Fee, to be paid by TMO to City within thirty (30) days of written demand.

16.16.4 Security Arrangements. City shall provide, or cause to be provided, during the term hereof, the public fire, police and security protection similar to that afforded to others at Airport, and it will issue and enforce rules and regulations with respect thereto

for all portions of Airport. TMO shall have the right, but shall not be obligated, to provide such additional or supplemental private protection as it may desire.

16.17 Visual Artists' Rights Act. TMO shall not install, or cause to be installed, any work of art subject to the Visual Artists' Rights Act of 1990 (as amended), 17 U.S.C. 106A, et seq., or California Civil Code Section 980, et seq., ("VARA") on or about the Airport or any part thereof without first obtaining a waiver, in writing, of all rights under VARA, satisfactory to Executive Director and approved as to form and legality by the City Attorney's Office, from the artist. Said waiver shall be in full compliance with VARA and shall name City as a party for which the waiver applies. TMO is prohibited from installing, or causing to be installed, any piece of artwork covered under VARA at the Airport without the prior, written approval and waiver of Executive Director. Any work of art installed at the Airport without such prior approval and waiver shall be deemed a trespass, removable by City, by and through its Executive Director, upon three (3) days written notice, all costs, expenses, and liability therefore to be borne exclusively by TMO. TMO, in addition to other obligations to indemnify, defend and hold City and City Agents harmless, as more specifically set forth in this Agreement, shall indemnify, defend and hold City and City Agents harmless from all Claims resulting from TMO's failure to obtain a waiver of VARA and failure to comply with any portion of this provision. The rights afforded City under this provision shall not replace any other rights afforded City in this Agreement or otherwise, but shall be considered in addition to all its other rights.

16.18 Living Wage Ordinance General Provisions. This Agreement is subject to the Living Wage Ordinance (hereinafter referred to as "LWO") (Section 10.37, et seq., of the Code, which is incorporated herein by this reference). A copy of Section 10.37 has been attached hereto for the convenience of the parties as Exhibit "K". The LWO requires that, unless specific exemptions apply, any employees of service contractors who render services that involve an expenditure in excess of Twenty Five Thousand Dollars (\$25,000) and a contract term of at least three months are covered by the LWO if any of the following applies: (1) at least some of the services are rendered by employees whose work site is on property owned by City, (2) the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than Twelve Dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Code Section 10.37.4. TMO shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by City. Whether or not subject to the LWO, TMO shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Code Section 10.37.6(c), TMO agrees to comply with federal law prohibiting retaliation for union organizing.

16.18.1 Living Wage Coverage Determination. An initial determination has been made that this Agreement is a service contract under the LWO, and that it is not exempt from coverage by the LWO. Determinations as to whether this Agreement is a service contract covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify TMO in writing about any redetermination by City of coverage or exemption status. To the extent TMO claims non-coverage or exemption from the provisions of the LWO, the burden shall be on TMO to prove such non-coverage or exemption.

16.18.2 Compliance; Termination Provisions and Other Remedies; Living Wage Policy. If TMO is not initially exempt from the LWO, TMO shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Effective Date of this Agreement. If TMO is initially exempt from the LWO, but later no longer qualifies for any exemption, TMO shall, at such time as TMO is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Code, violation of the LWO shall constitute a material Default of this Agreement and City shall be entitled to terminate this Agreement and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that TMO violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Agreement. Nothing in this Agreement shall be construed to extend the time periods or limit the remedies provided in the LWO.

16.18.3 Subcontractor Compliance. TMO agrees to include, in every subcontract covering City property entered into between TMO and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the Living Wage Ordinance and the Service Contractor Worker Retention Ordinance with respect to City's property; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the subcontractor with the provisions of either the Living Wage Ordinance or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the Living Wage Ordinance and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to City property, and (ii) invoke, directly against the subcontractor with respect to City property, all the rights and remedies available to City under Section 10.37.5 of the LWO and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

16.19 Service Contract Worker Retention Ordinance. This Agreement may be subject to the Service Contract Worker Retention Ordinance (hereinafter referred to as "**SCWRO**") (Section 10.36, et seq., of the Code), which is incorporated herein by this reference. A copy of Section 10.36 has been attached for the convenience of the parties as Exhibit "M". If applicable, TMO must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of Twenty Five Thousand

Dollars (\$25,000) and a contract term of at least three (3) months, shall provide retention by a successor TMO for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated TMO or concessionaire, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Code, City has the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if City determines that the subject TMO violated the provisions of the SCWRO.

16.20 Equal Benefits Ordinance. Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance ("**EBO**"), TMO certifies and represents that TMO will comply with the applicable provisions of EBO Section 10.8.2.1 of the Code. TMO shall not, in any of its operations within the City of Los Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) between employees with domestic partners and employees with spouses, or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration. As used above, the term "**Non-ERISA Benefits**" shall mean any and all benefits payable through benefit arrangements generally available to TMO's employees which are neither "employee welfare benefit plans" nor "employee pension plans", as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by TMO to its employees, the spouses of its employees or the domestic partners of its employees, that are not defined as "employee welfare benefit plans" or "employee pension benefit plans", and, which include any bereavement leave, family and medical leave, and travel discounts provided by TMO to its employees, their spouses and the domestic partners of employees.

TMO agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the term of a Contract with the City of Los Angeles, TMO will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480."

The failure of TMO to comply with the EBO will be deemed to be a material Default of this Agreement. If TMO fails to comply with the EBO, City may cancel or terminate this Agreement, in whole or in part, and all monies due or to become due under this Agreement may be retained by City. City may also pursue any and all other remedies at law or in equity for any such Default. Failure to comply with the EBO may be used as evidence against TMO in actions taken pursuant to the provisions of Code Section 10.40, et seq. If City determines that TMO has set up or used its contracting entity for the purpose of evading the intent of the EBO, City may terminate this Agreement.

16.21 Contractor Responsibility Program. TMO shall comply with the provisions of the Contractor Responsibility Program adopted by the Board. Executive Directives setting forth the rules, regulations, requirements and penalties of the Contractor Responsibility Program and the

Pledge of Compliance Form is attached hereto as Exhibit "N" and incorporated herein by reference.

16.22 First Source Hiring Program for Airport Employers. For all work performed at Airport, TMO shall comply with all terms and conditions of the First Source Hiring Program ("FSHP"). A copy of the FSHP is attached hereto and incorporated by reference herein as Exhibit "O".

16.23 Environmentally Favorable Options. TMO acknowledges that its operation of its activities under this Agreement will be subject to all of City of Los Angeles' policies, guidelines and requirements regarding environmentally favorable construction, use or operations practices (hereinafter collectively referred to as "City Policies") as such City Policies may be promulgated, revised and amended from time-to-time.

16.24 Municipal Lobbying Ordinance. TMO shall comply with the provisions of the City of Los Angeles Municipal Lobbying Ordinance.

16.25 Labor Peace Agreement. TMO shall: (i) have a signed a Labor Peace Agreement ("LPA") with the labor organizations representing or seeking to represent workers covered by this Agreement; (ii) submit to City a copy of such LPA, executed by all of the parties to such LPA; and (iii) such LPA shall prohibit such labor organizations and their members from engaging in picketing, work stoppages, boycotts or other economic interference with the business of TMO at any of the airports operated by City for the duration of this Agreement.

16.26 Alternative Fuel Vehicle Requirement Program. TMO shall comply with the provisions of the Alternative Fuel Vehicle Requirement Program. The rules, regulations, and requirements of the Alternative Fuel Vehicle Program are attached as Exhibit "P" and made a material term of this Agreement.

16.27 Reserved.

16.28 Estoppel Certificate. Upon written request of either party, the other party shall execute, acknowledge and deliver to the requesting party or its designee, an Estoppel Certificate in the form reasonably required by the requesting party and with any other statements reasonably requested by the requesting party or its designee. Any such Estoppel Certificate may be relied upon by the requesting party or its designee. If TMO fails to provide such certificate within twenty (20) days of receipt by TMO of a written request by City as herein provided, such failure shall, at City's election, constitute a Default under this Agreement, and TMO shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by City to such designee.

16.29 Subordination of Agreement. This Agreement shall be subordinate to the provisions of any existing or future agreement between City and the United States of America, its boards, agencies or commissions, or between City and the State of California, relative to the operations or maintenance of Airport the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of said Airport. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control,

operation, regulation, and taking over of the Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

16.30 Laws of California; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California and venue shall lie in the appropriate U.S. Federal Court or California Superior Court located in Los Angeles County, California

16.31 Agreement Binding Upon Successors. Subject to the provisions of Article XIV, this Agreement shall be binding upon and shall inure to the benefit of the successors, heirs and assigns of the parties hereto.

16.32 Reserved.

16.33 Entire Agreement. The provisions of this Agreement constitute the entire agreement between the parties hereto and said Agreement may not be changed or modified in any manner except by written amendment fully executed by City and TMO. This Agreement supersedes the RFP and TMO's Proposal. There are no representations, agreements or understandings, oral or written, between and among the parties relating to the subject matter contained in this Agreement which are not fully set forth herein. This is an integrated agreement. TMO acknowledges that it has conducted its own due diligence investigation of its prospects for successfully operating the Permitted Uses at the Airport, and has made its own determination of the accuracy of any information provided by City with respect to the financial results of any prior operator of any similar business at the Airport, that City has made no representations or warranties to TMO with respect to any of such matters, and that all prior discussions between City and TMO with respect to such matters are superseded by this Agreement.

16.34 Conditions and Covenants. Each covenant herein is a condition, and each condition herein is as well a covenant by the parties bound thereby, unless waived in writing by the parties hereto.

16.35 Gender and Plural Usage. The use of any gender herein shall include all genders and the use of any number shall be construed as the singular or the plural, all as the context may require.

16.36 Time is of the Essence; Days. Time shall be of the essence in complying with the terms, conditions, and provisions of this Agreement. Unless otherwise expressly specified, "days" shall mean calendar days.

16.37 Void Provision. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement, and all such other provisions shall remain in full force and effect.

16.38 Construction and Interpretation. It is the intention of the parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either City or TMO.

16.39 Section Headings. The section headings appearing herein are for the convenience of City and TMO, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

16.40 Waiver of Claims. TMO hereby waives any Claim against City and City Agents for loss of anticipated profits caused by any suit or proceeding directly or indirectly attacking the validity of this Agreement or any part hereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable, or delaying the same, or any part hereof, from being carried out. City hereby waives any Claim against TMO for loss of anticipated profits caused by any suit or proceeding directly or indirectly attacking the validity of this Agreement or any part hereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable, or delaying the same, or any part hereof, from being carried out.

16.41 Waiver. Every provision herein imposing an obligation upon City or TMO is a material inducement and consideration for the execution of this Agreement. No waiver by City or TMO of any Default or breach of any provision of this Agreement shall be deemed for any purpose to be a waiver of any Default or breach of any other provision hereof nor of any continuing or subsequent Default or breach of the same provision.

16.42 Representations of TMO. TMO (and, if TMO is a corporation, partnership, limited liability company or other legal entity, such corporation, partnership, limited liability company or entity) hereby makes the following representations and warranties, each of which is material and being relied upon by City, is true in all respects as of the date of this Agreement, and shall survive the expiration or termination of the Agreement. TMO shall re-certify such representations to City periodically, upon City's written request.

16.42.1 If TMO is an entity, TMO is duly organized, validly existing and in good standing under the laws of the state of its organization, and is qualified to do business in California, and the persons executing this Agreement on behalf of TMO have the full right and authority to execute this Agreement on behalf of TMO and to bind TMO without the consent or approval of any other person or entity. TMO has full power, capacity, authority and legal right to execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement is a legal, valid and binding obligation of TMO, enforceable in accordance with its terms.

16.42.2 TMO has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by any creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally within the last 5 years prior to the date of this Agreement.

16.42.3 TMO hereby represents and warrants to City that TMO is not:

- (a) in violation of any Anti-Terrorism Law (as hereinafter defined);

(b) nor is any holder of any direct or indirect equitable, legal or beneficial interest in TMO, as of the date hereof: (A) conducting any business or engaging in any transaction or dealing with any Prohibited Person (as hereinafter defined), or any company with business operations in Sudan that are prohibited under Cal. Gov. Code §7513.6, including the governments of Cuba, Iran, North Korea, and Syria and, including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Prohibited Person or forbidden entity; (B) dealing in, or otherwise engaging in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; or (C) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in, any Anti-Terrorism Law; and

(c) a Prohibited Person, nor are any of TMO's affiliates, officers, directors, shareholders, members or its Guarantor, as applicable, a Prohibited Person.

16.42.4 If at any time any of these representations becomes false, then it shall be considered a material Default under this Agreement. As used herein, "**Anti-Terrorism Law**" is defined as any law relating to terrorism, anti-terrorism, money-laundering or anti-money laundering activities, including without limitation the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, Executive Order No. 13224, Title 3 of the USA Patriot Act, Cal. Gov. Code §7513.6, and any regulations promulgated under any of them. As used herein "**Executive Order No. 13224**" is defined as Executive Order No. 13224 on Terrorist Financing effective September 24, 2001, and relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism", as may be amended from time to time. "**Prohibited Person**" is defined as (i) a person or entity that is listed in the Annex to Executive Order No. 13224, or a person or entity owned or controlled by an entity that is listed in the Annex to Executive Order No. 13224; (ii) a person or entity with whom the City is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; or (iii) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/t11sdn.pdf> or at any replacement website or other official publication of such list. "**USA Patriot Act**" is defined as the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (Public Law 107-56), as may be amended from time to time.

16.43 TMO Acknowledgement and Waiver. TMO expressly represents, acknowledges and agrees that: (a) in connection with this Agreement, the rights granted to TMO pursuant to this Agreement, or any termination or expiration thereof, TMO has no right or entitlement whatsoever to receive any relocation assistance, moving expenses, goodwill or other payments or compensation under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. Section 4601, et seq., the California Relocation Assistance Law, as amended, California Government Code Section 7260 et seq., California Eminent Domain Law (California Code of Civil Procedure Section 1230.010, et seq.), the law of inverse condemnation, and/or under any other relocation, eminent domain, condemnation or similar law now or hereafter in effect (collectively, "**Compensation Claims**"); (b) TMO is not entitled to

assert any Compensation Claims arising out of or in connection with TMO's surrender or vacation of the Display Locations or the Licensed Area; and (c) nothing in this Agreement shall create, or otherwise give rise to, any rights for TMO or any TMO Party to receive any relocation assistance, moving expenses, goodwill or other payments or compensation under the foregoing laws, all of which rights and Compensation Claims (to the extent the same may be applicable) are hereby waived and relinquished by TMO and the TMO Parties.

16.44 Parties In Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than City and TMO, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement. The TMO Parties are not third party beneficiaries of this Agreement.

16.45 City Approval. Following the execution and delivery of this Agreement, whenever this Agreement calls for a matter to be approved or disapproved by or on behalf of City, then the written approval, disapproval, or consent of the Executive Director within the legal authority of the Executive Director, subject to the approval of the Office of the City Attorney as to form, shall constitute the approval, disapproval, or consent of City; provided, however, if the approval or consent by City is in excess of the Executive Director's legal authority, then such matter shall be approved by the Board. Except as otherwise expressly set forth in this Agreement, with respect to any matter that is subject to the approval or consent of the Executive Director or the Board, such approval or consent may be given or withheld in the Executive Director's or the Board's sole and absolute discretion. Any approvals or consents required from or given by City under this Agreement shall be approvals of the City of Los Angeles Department of Airports acting as the owner and operator of the Airport, and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the rights or prerogatives of the City of Los Angeles as a government, including the right to grant or deny any permits required for construction or maintenance at the Airport and the right to enact, amend or repeal laws and ordinances, including, without limitation, those relating to zoning, land use, and building and safety. No approval or consent on behalf of City will be deemed binding upon City unless approved in writing as to form by the City Attorney.

16.46 Board Order AO-5077 Exemption. With respect to the provision of products and services pursuant to this Agreement, TMO and its respective vendors are expressly exempt from the Board-imposed license fee described in Board Order AO-5077 and related Staff Report, which license fee may, in the absence of such exemption, be assessed on the gross revenues derived from the provision of products and services pursuant to this Agreement.

16.47 Compliance with Los Angeles City Charter Section 470(c)(12). TMO, subcontractors and their principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City of Los Angeles officials or candidates for elected City of Los Angeles office if the contract is valued at \$100,000 or more and requires approval of a City of Los Angeles elected official. Additionally, TMO is required to provide and update certain information to the City as specified by law. Any contractor subject to Charter Section 470(c)(12) shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this Agreement:

“Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions.

As provided in Charter Section 470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor’s principals and contact information and shall update that information if it changes during the twelve (12) month time period. Subcontractor’s information included must be provided to contractor within five (5) business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission’s website at <http://ethics.lacity.org/> or by calling 213-978-1960.”

TMO, subcontractors and their principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

XVII. DEFINITIONS

17.1 Defined Terms. The following terms, when used in this Agreement, shall have the meaning set forth in this Article XVII.

“ACDBE” shall mean Airport Concession Disadvantaged Business Enterprise.

“ACDBE Rules” shall mean the regulations of the U.S. Department of Transportation set forth at 49 Code of Federal Regulations Part 23, as amended from time to time.

“ADA” shall mean collectively, the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 *et seq.*, including, without limitation, Title III thereof, and all regulations and guidelines related thereto, together with any and all laws, rules, regulations, ordinances, codes and statutes now or hereafter enacted by local or state agencies having jurisdiction thereof (including, without limitation, all of the requirements of Title 24 of the California Code of Regulations), as the same may be in effect on the date of this Agreement and may be hereafter modified, amended or supplemented.

“Additional Fees” shall mean all amounts due from TMO to the City under this Agreement, other than Base Fees.

“Administrative Fee” shall mean fees due and payable under Section 5.13.

“ADP” shall mean the Advertising Display Plan showing all Display Locations within each Facility, as modified or amended from time to time as provided in this Agreement and initially shall be the ADP attached to the RFP and attached to this Agreement as Exhibits “A-1” through “A-2”.

"Advertiser" shall mean a person that contracts with TMO to display Advertising at the Airport, including without limitation, any partner of or joint venturer with the TMO.

"Advertising" shall mean advertising promoting goods, services and other matters within the Airport with a term of less than three (3) years, including, without limitation, Content, with forms that may include, without limitation, static and dynamic displays, in fixed or electronic media, wraps, stand-alone displays, promotions and Digital Activation that does not violate Exclusive rights granted to a Sponsor or to other parties. Advertising is distinguished from Sponsorship in several ways: Advertising is priced based on size, characteristics and geographic area of displays; does not require (but may include) passenger enhancements; and does not grant Exclusivity (other than to the specified display) or Entitlements. The determination of whether any Content constitutes Advertising shall be made by the Executive Director in her or his sole discretion. Unless promotion of goods, services or other matters is specifically designated and approved by the Executive Director as a Sponsorship, it shall be considered to be Advertising under this Agreement.

"Advertising Agreement" shall mean an agreement between an Advertiser and TMO for the display of Advertising at the Airport.

"Advertising Display" shall mean a medium of communication used for Advertising and includes signs, posters, dioramas, back-lit wall-mounted displays of various sizes, mechanically or electronically rotating multiple distinct advertising messages, exhibits, kiosks, high tech plasma or LCD screens, LED displays, fiber optic displays, wide screen video systems, digital image banners, interactive multimedia software or optical imaging display cases, wall murals, courtesy phone centers, three dimensional displays, wall wraps, and all other forms of displays used for Advertising, including Temporary Displays.

"Agreement" shall mean this Agreement, including without limitation, the Basic Information and all Exhibits hereto, which are specifically incorporated by reference, and as this Agreement may be amended from time to time in accordance with its terms.

"Agreement Year" shall mean each one year period during the Term beginning on January 1 and ending on the next succeeding December 31; provided, however that the initial Agreement Year shall commence on the Effective Date and end on the next December 31 and the final Agreement Year shall end on the Expiration Date or the earlier date of termination of this Agreement.

"Airport" shall mean Los Angeles International Airport ("LAX").

"Airport-wide Concessionaires" shall mean parties to a concession agreement for an Airport-wide Concession.

"Airport-wide Concessions" shall mean concessions, sales or services on an Airport-wide basis.

"Airport-wide Uses" shall mean uses of activities associated with Airport-wide Concessions.

“Alterations” shall mean Improvements or alterations to any portion of the Facilities.

“Annual Report” shall have the meaning set forth in Section 4.2.1.

“Basic Information” shall mean the information set forth in the Section of this Agreement entitled “Basic Information”.

“Base Fees” shall mean all MAG and Percentage Fees payable by TMO to City pursuant to this Agreement.

“Board” shall mean the City’s Board of Airport Commissioners.

“Books and Records” shall have the meaning set forth in Section 4.3.

“Brand Sponsor” shall mean a Sponsor that has entered into a Sponsorship Agreement to undertake a Brand Sponsorship.

“Brand Sponsorship” shall mean a Sponsorship that meets the standards established by the Executive Director, which shall include the following: Airport-wide Exclusivity, Entitlement, a long term, commitment to engage in significant Sponsorship Activations to enhance the passenger experience at the Airport, and substantial revenue to be paid to the City and TMO.

“Business and Operations Plan” shall mean the comprehensive business and operations plan that TMO shall develop not less than annually for review and approval by the Executive Director as provided in this Agreement, as such plan may be amended from time to time as provided in this Agreement, for the development, marketing and implementation of sales of Sponsorships, Advertising and Digital Activation, including without limitation, Emerging Media, within the Facilities, the contents of which shall include, but not be limited to, the following:

(i) The plan for reasonably maximizing payments and value to City. The Business and Operations Plan shall set out the TMO’s business plan for the coming Agreement Year and include a statement of projected sales of Advertising and of Sponsorships and of adjustments to Sponsorship gross revenue setting forth TMO’s financial projections for each of the Sponsorships, Advertising Displays and the Media Elements within the Display Locations and the Licensed Area and payments to the City due under this Agreement for the forthcoming Agreement Year. The Business and Operations Plan should provide for and include new and innovative concepts, including Emerging Media. As part of the plan, TMO shall submit for approval by the Executive Director, and more frequently at the Executive Director’s request, a schedule of rates to be applied to the Advertising Displays and other Media Elements. Deviation from the schedule of rates of more than twenty-five percent (25%) must be authorized by the Executive Director prior to TMO entering into any Media Agreement.

(ii) An inventory of each Display Location, Advertising Display, Iconic Media Structure and other Media Element, including Temporary Displays, that describes each type of display or Media Element, including, at a minimum, the Display Locations shown on the ADP attached to the RFP. The TMO shall also include in such inventory a specific

description and depiction of any additional Display Locations or Media Elements proposed by TMO to be added to the ADP that TMO seeks the City's approval to use pursuant to this Agreement

(iii) The TMO's operational goals and objectives for the forthcoming Agreement Year, including identification of sales opportunities and marketing plans for the promotion of sales.

(iv) Except for the first annual Business and Operations Plan, a review of the TMO's performance in the prior Agreement Year, including achievement of sales projections and sales trends, financial results, and other goals and objectives, with explanations of any anomalies by type of Media.

(v) The plan for the marketing of each type of Media concession opportunity, specifically including individual Sponsorship Programs for identified Sponsorships.

(vi) A specific description of the rights and obligations TMO proposes to be granted to or undertaken by Sponsors, including Marketing Designations, non-monetary consideration and provision of Sponsorship Activations.

(vii) A plan for providing opportunities for ACDBEs to participate in the terminal media operator concession.

(viii) The operating standards for Media concessions and the policies and procedures to address, correct or replace underperforming types of Media and to develop additional Content for the Iconic Media Structures and other Media Elements and to manage compliance with the standards set forth in this Agreement. With respect to Emerging Media not described on Exhibit "U", a detailed description of such Emerging Media, a schedule for and the projected costs of installation and implementation of such Emerging Media, and a proposed rental schedule for such Emerging Media.

(ix) A quality assurance plan, an improvement plan, and a remedial action plan for any prior deficiencies for the forthcoming Agreement Year.

(x) A specific operation and maintenance plan for the Display Locations, Emerging Media elements, and the Iconic Media Structures.

(xi) A summary of any proposed Improvements or Alterations and a proposed schedule for the construction or installation of such Improvements or Alterations.

(xii) Such other goals, objectives, requirements or information as the Executive Director may reasonably request.

"Business Day" shall mean each day other than a Saturday, Sunday or day on which City offices are authorized to be closed.

"City" shall mean the City of Los Angeles Department of Airports, a municipal corporation.

"City Agents" shall mean, collectively, the City, the Board, the Executive Director and their respective Board members, officers, directors, employees, agents, advisors, attorneys, and representatives.

"City Data" shall mean all data, content, material, personal information, personally identifiable information, Confidential Information and other information provided by the City to TMO for use in connection with the services provided by TMO hereunder.

"City Information" shall mean, collectively, any report, study, document or other information furnished to TMO by City or by City's representatives, including, without limitation, the historical sales data regarding advertising concession operations at the Airport, passenger data, any assessment reports regarding the physical condition of space within the Facilities, and other information provided in connection with the RFP.

"Claims" shall mean any and all actions, causes of action, charges, claims, costs, damages, demands, expenses (including attorneys' fees, costs of court and expenses incurred), fines, judgments, liabilities, liens, losses, or penalties of every kind and nature whatsoever.

"Code" shall mean the Los Angeles Administrative Code, as amended from time to time.

"Common Areas" shall mean all areas and facilities located within the Airport and outside of the Display Locations and Licensed Areas, that are designated by the Executive Director from time to time as common use areas for the general use and convenience of concessionaires, tenants and other occupants at the Airport, airline passengers and other visitors to the Airport, such as lobbies, corridors, sidewalks, elevators, escalators, moving sidewalks, parking areas, and facilities, restrooms, pedestrian entrances, driveways, loading zones and roadways.

"Conditions of Approval" shall mean any conditions of approval imposed by the City on TMO in connection with the approval by the Executive Director of a Business and Operations Plan.

"Confidential Information" shall mean all City Data, all Personal Data and all personally identifiable information or other confidential information obtained by TMO, or a party with whom TMO has entered into a Media Agreement, from the City or another person or business at the Airport or otherwise pursuant to this Agreement.

"Content" shall mean digital or other video or audio/video Media developed for use on the Iconic Media Structures, other Media Elements or Advertising Displays, and also includes the content of Digital Activations. As used herein, the term Content shall be deemed to include Foundational Content, Customized Content, and TMO Content.

"CPI" shall mean the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor of CPI-U (all urban consumers) for Los Angeles – Riverside – Orange County, CA (all items 1982 – 1984 equals one hundred). In the event that the compilation and/or publication of the CPI shall be discontinued, then the index most nearly the same as the CPI, as reasonably determined by the Executive Director, shall be used to make such calculation.

"Customized Content" shall mean Content that is conceived, developed, caused to be developed or created by TMO or its employees or independent contractors solely for City in connection with the performance of this Agreement; provided, however, that City may accept as Customized Content Content developed by third parties (including Sponsors) and/or previously displayed Content that is (or TMO has edited to be) non-commercial in the Executive Director's sole and absolute determination and meets all of the requirements set forth in Section 5.1.4(b). The City may use all Customized Content without giving credit to any person and the City shall have the unfettered right to edit such Customized Content in the City's sole discretion.

"Default" shall mean any of the events set forth in Section 11.1 of this Agreement.

"Deficiency" shall have the meaning set forth in Section 4.3.2.

"Delivery Date" shall mean the date set forth in the applicable Delivery Notice for the delivery of the Licensed Area or the Display Locations within TBIT or the Other Facilities.

"Delivery Notice" shall mean the written notice from the Executive Director to TMO informing TMO of the date that City will deliver to TMO the Licensed Area, the Display Locations in TBIT or the Other Facilities Display Locations.

"Design and Construction Handbook" shall mean the Design and Construction Handbook, as revised from time to time by City, located at www.lawa.org/laxdev/handbook.aspx.

"Destructive Mechanisms" shall mean computer code that: (i) is designed to disrupt, disable, harm, or otherwise impede in any manner, including aesthetic disruptions or distortions, the operation of any software, firmware, hardware, computer system or network (sometimes referred to as "viruses" or "worms"); (ii) would disable or impair any software, firmware, hardware, computer systems or networks in any way where such disablement or impairment is caused by the passage of time, exceeding an authorized number of copies, advancement to a particular date or other numeral (sometimes referred to as "time bombs," "time locks" or "drop dead" devices); (iii) would permit TMO to access the City's systems, the Iconic Media Structures, or any other software, firmware, hardware, computer systems or networks to cause such disablement or impairment (sometimes referred to as "traps," "access codes" or "trap door" devices); or (iv) which contains any other similar harmful, malicious or hidden procedures, routines or mechanisms which would cause such programs to cease functioning or to damage or corrupt data, storage media, programs, equipment or communications or otherwise interfere with operations.

"Digital Activation" shall mean rights, which may or may not be Exclusive, with respect to digital resources located within the TBIT Facilities or the Other Facilities, as applicable, granted by TMO, with the approval of the City, pursuant to the Agreement (or pursuant to a separate or additional agreement between the TMO and other entities within the Airport, such as the TCM for applicable Facility), including the rights to sell either Digital Advertising or digital Sponsorships, as well as the right, subject to the provisions of Section 5.1.3 and to such other reasonable restrictions relating to privacy adopted by the City from time to time, to gather, process and disseminate (including to sell) digital information generated within one or more

designated Facilities or portions thereof, or by Airport customers (wherever located), and the right to provide digital content within certain designated Facilities or portions thereof and to Airport customers (wherever located).

"Display Locations" shall mean each of the locations shown on the ADP, as amended from time to time as provided in this Agreement.

"Duty Free Operator" shall mean DFS Group, L.P. and any successor or assign thereof under the Duty Free Merchandise Concession Agreement dated August 15, 2012, as it may be amended from time to time.

"Early Termination Date" shall mean the date set forth in Section 2.3.1(c).

"Effective Date" shall have the meaning set forth in the Basic Information.

"Emerging Media" shall mean technology-based Media supported by Advertising or Sponsorships, including but not limited to, Media involving wireless Digital Activation, application and website development, the capture by or on behalf of TMO and sale to third parties of certain specified digital information gathered from persons within the Facilities, audio and video broadcasting and the display of video broadcasts, entertainment, traveler experience enhancements and other telecommunication-based benefits. TMO shall endeavor to provide the Emerging Media described on Exhibit "U" hereof on or before the dates set forth on such Exhibit "U". In addition, TMO shall provide Emerging Media in addition to that described on Exhibit "U" in accordance with an approved Business and Operations Plan.

"Entitlement" shall mean the right of a Sponsor to use a specified feature for exclusive corporate or brand name identification and Marketing Designation for a specified period, also known as "naming rights," with respect to which feature the City will use diligent efforts to refer to the Sponsored feature in appropriate official communications, or other specified tangible or intangible rights, which may or may not be exclusive, within the scope of the rights granted by the City to the TMO pursuant to this Agreement.

"Environmental Claim" shall have the meaning set forth in Section 15.1.

"Exclusivity" shall mean designating within all or a portion of the Airport for a designated business category an exclusive Sponsor of certain products or services, as mutually agreed to and defined by the TMO with the approval of the City, and may include a Marketing Designation, which categories may include by way of example but without limitation, automobile, amusement park, sport, beverage, timepiece, financial institution, and the like, and may also mean, if specified pursuant to the applicable agreement, an Entitlement consisting of the sole right to identify one or more specified features within a designated Facility with a Sponsor's brand, good or service, for example, "the [brand] time tower at LAX".

"Executive Director" shall mean, collectively, the Executive Director of the Department of Airports of the City of Los Angeles, or the person or persons designated by the Executive Director to take a specified action on behalf of the Executive Director.

"Expiration Date" shall have the meaning set forth in the Basic Information.

“FAA” shall mean the Federal Aviation Administration, within the United States Department of Transportation, or its duly constituted successor.

“Facilities” shall mean, collectively, the TBIT Facilities and the Other Facilities.

“Faithful Performance Guarantee” shall have the meaning set forth in Section 4.11.

“Fees” shall mean all Base Fees and Additional Fees payable by TMO pursuant to this Agreement.

“Force Majeure” shall mean, in relation to the conditions that may cause a party to be temporarily, partially or wholly prevented from performing its obligations to the other party under this Agreement and not for any other purpose or for any benefit of any third party: any event beyond the reasonable control of the party claiming it, including, but not limited to, embargoes, shortages of material, acts of God, acts of public enemy (such as war, (declared or undeclared), invasion, insurrection, terrorism, riots, rebellion or sabotage), acts of a governmental authority (such as the United States Department Of Transportation, the FAA, the TSA, the United States Environmental Protection Agency and defense authorities), fires, floods, earthquakes, hurricanes, tornadoes and other extreme weather conditions; provided, however, that strikes, boycotts, lockouts, labor disputes, labor disruptions, work stoppages or slowdowns shall not be considered an event of Force Majeure. The term Force Majeure includes delays caused by governmental agencies in the processing of applicable building and safety permits but only to the extent that such processing time actually exceeds the normal and reasonable processing time period for such governmental agency permit; provided, however, that any delays caused by TMO in the processing of such permits (such as TMO’s failure to submit complete applications for such permits) shall not be considered a basis for a claim of Force Majeure by TMO. Any lack of funds shall not be deemed to be a cause beyond the control of a party.

“Foundational Content” shall mean Content that is owned or controlled by the City prior to the Effective Date or that is conceived, developed, caused to be developed or created after the Effective Date solely by City or City Agents.

“FPG” shall mean the Faithful Performance Guaranty.

“FPG Amount” shall mean the Initial FPG Amount set forth in the Basic Information, as increased pursuant to Section 4.11.

“Guarantor” shall have the meaning set forth in the Basic Information.

“Hazardous Materials” shall mean:

1. Any substance the presence of which now or hereafter requires the investigation or remediation under any Law; or
2. Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any Law, including, without limitation, the Comprehensive Environmental

Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.) or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.); or

3. Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

4. Any substance, without limitation, which contains gasoline, aviation fuel, jet fuel, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenols (PCBs) asbestos, urea formaldehyde or radon gases.

"Hazardous Materials Laws" shall mean any and all applicable present and future Laws regarding the use, storage, handling, distribution, processing or disposal of Hazardous Materials.

"Iconic Media Structures" shall mean the six large format media devices located in the Licensed Area in the locations shown on Exhibit "A-1", including all associated control rooms and equipment and the Foundational Content and Customized Content licensed to TMO from time to time pursuant to this Agreement, and operational software, provided and licensed by the City to TMO on the TBIT Delivery Date, and any other large format media devices provided by the City or TMO at the Airport and designated as an Iconic Media Structure.

"Improvements" shall mean any and all affixed new construction, finishes, fixtures, equipment, systems, furnishings and furniture installed by TMO, as well as modifications or alterations to existing construction, finishes, fixtures, equipment, systems, furnishings and furniture that conform to drawings and specifications approved in writing by the Executive Director, including, but not limited to, all structures, lines, equipment, connections, fixtures and other modifications and improvements to the applicable Facility made by or on behalf of TMO to install, operate, maintain, service or repair the Sponsorship Activations, Advertising Displays or other Media Elements.

"Initial FPG Amount" shall mean the amount of the initial Faithful Performance Guarantee, as set forth in the Basic Information.

"Intellectual Property" shall mean all forms of intellectual property rights and protections currently existing or hereafter recognized, developed or acquired, whether arising under common or statutory law of any jurisdiction or granted by contract, license or otherwise, including, without limitation, all: (a) inventions and discoveries (whether or not patentable and whether or not reduced to practice), utility models and designs, and all related patents, patent applications and patent disclosures, together with all re-issuances, continuations, continuations-in-part, revisions, extensions and reexaminations thereof; (b) trademarks, service marks, trade dress, slogans and logos, together with all adaptations, derivations and combinations thereof and all goodwill associated therewith, and all applications, registrations and renewals in connection therewith; (c) copyrightable works, copyrights and applications, registrations and renewals in connection therewith; (d) trade secrets, know-how, technical information, tools, models, analysis frameworks, specifications, technology, methodologies and processes, rights in databases and

rights to confidential and proprietary information and equivalent rights; (e) computer software (including without limitation source and executable code, data, databases and related documentation), firmware, and development tools; (f) moral rights, privacy rights, publicity rights and other proprietary and/or intellectual property rights; and (g) tangible and intangible embodiments of the foregoing in all forms and media.

"Investment Commitment" shall mean the amount set forth in Basic Information opposite such heading.

"Laws" shall mean all present and future federal, state and local laws, statutes, codes, rules, ordinances, regulations, requirements, orders and City ordinances now in force or which may hereafter be in force applicable to TMO, the Facilities, the Display Locations, the Advertising Displays, the Permitted Uses or the Airport and judicial interpretations thereof, including without limitation, (i) all safety, security and operations directives of City, including by Executive Director, which now exist or may hereafter be promulgated from time to time governing conduct on and operations at the Airport or the use of facilities at the Airport; and (ii) the Rules and Regulations and any and all other valid and applicable requirements of all duly-constituted public authorities (including, without limitation, the Department of Transportation, the Department of Homeland Security, the FAA, and the TSA); and (iii); the ADA; (iv) all Privacy and Security Laws; and (v) all acts and regulations relating in any way to libel and slander, worker's compensation, sales and use tax, credit card processing, social security, unemployment insurance, hours of labor, wages, working conditions, the Immigration Reform and Control Act of 1986, the City of Los Angeles Administrative Code, and all Hazardous Materials Laws.

"Licensed Area" shall mean all of the Iconic Media Structures and the related supporting facilities, and the portions of the Facilities within which such structures and facilities are located, and the four (4) "TBIT WOW System" elements located in the TBIT Main Terminal Building, consisting of (1) a video wall of 25 NEC monitors, (2) a filmstrip feature of 58 NEC monitors, and (3) a welcome wall, all located in the Arrival Hall, and (4) ten (10) NEC monitors located in the baggage claim area, all as depicted on Exhibit "A-1", as modified from time to time in accordance with this Agreement.

"LOC" shall mean a letter of credit that is the FPG substantially in the form attached Exhibit "S" and meeting the requirements of Section 4.1.1.

"MAG" shall mean the applicable minimum annual guarantee for each Agreement Year, as provided in Section 4.1.1.

"Marketing Designation" shall mean the right to use the City's and the Airport's name and marques, to the extent that the City may lawfully grant such rights, both within and outside the Airport, and may include naming rights, and the right to identify the Sponsored brand, goods or services with the City and the Airport, for example, as "the official [good] of Los Angeles International Airport".

“Media” shall mean all means of providing Advertising, including without limitation, Content, Advertising Displays, video displays, audio marketing materials, Digital Activation and Sponsorship Activations.

“Media Agreement” shall mean each Advertising Agreement, Sponsorship Agreement or other agreement entered into by the TMO with an Advertiser, Sponsor or other party to provide services subject to this Agreement.

“Media Elements” shall mean any means of providing Media at the Airport other than an Advertising Display, and may include, without limitation, the Iconic Media Structures, Emerging Media, Digital Activation and Sponsorship Activations.

“Minimum Annual Commitment” shall mean the amount set forth in the Basic Information as the minimum amount that TMO shall invest annually in the Display Locations and the Licensed Area as provided in Section 7.6.

“Minimum Investment” shall mean the amount set forth in the Basic Information as the minimum amount that TMO shall invest in Improvements to Display Locations and the Licensed Area on or before the Stabilization Date (except as otherwise provided in this Agreement).

“Obstruction” shall mean any object, structure or condition that, in the judgment of the Executive Director, would materially impair or obstruct or has materially impaired or obstructed the view by the public of the Advertising copy at or within any Advertising Display or other Media Element or that prevents TMO from having access to any portion of the Licensed Area or ADP.

“Other Facilities” shall mean all interior portions of the Airport Terminals and parking garages other than the TBIT Facilities.

“Other Facilities Commencement Date” shall mean the Delivery Date for the Other Facilities Display Locations, which shall be April 8 of the designated year unless no less than ninety (90) days advance written notice is otherwise provided by the City to TMO.

“Other Facilities Display Locations” shall mean the Display Locations shown on the ADP, as modified or amended from time to time as provided in this Agreement, located within the Other Facilities.

“Percentage Fees” shall have the meaning set forth in Section 4.1.2.

“Permitted Use” shall mean those activities described and defined in Section 1.1 and those other uses expressly permitted by the Executive Director in writing, in her or his sole discretion.

“Personal Data” shall mean all personal information the privacy or security of which is protected by Law, including without limitation all “protected health information,” as that term is used under the Health Insurance Portability & Accountability Act, “nonpublic personal information” as that term is used under the Gramm-Leach-Bliley Act, “personally identifiable information,” as defined in Section 22577 of the California Business and Professions Code, as

amended from time to time, and all other personally identifiable information and personal information protected under any other Law relating to the privacy and security of such personal information, including security breach notification obligations in accordance with the requirements of this Agreement and applicable Law.

"Personnel" shall mean, collectively, TMO's representatives, agents and employees.

"Pre-Existing Hazardous Materials" shall mean any Hazardous Materials which were in existence in any portion of the Facilities, the Licensed Area or elsewhere on the Airport prior to the delivery of any portion of the Licensed Area by City to TMO.

"Privacy and Security Laws" shall have the meaning set forth in Section 5.13(d).

"Private Restriction" shall mean all recorded covenants, conditions and restrictions affecting the Airport.

"Qualified Investments" shall have the meaning set forth in Section 9.3.

"Registered Agent" shall mean TMO's agent for service of process in California is as set forth in the Basic Information.

"Reinvestment Commitment" shall mean the amount set forth in Basic Information opposite such heading.

"RFP" shall mean the City's Request for Proposals for Terminal Media Operator dated December 12, 2012, as supplemented and amended.

"Rules and Regulations" shall mean, collectively, the non-discriminatory rules and regulations of the City and the Department of Airports, along with any modifications, amendments and supplements thereto, as are in effect from time to time, for the orderly and proper operation of the Airport, the Facilities, the Common Areas, the Licensed Area and the Display Locations.

"Sales Report" shall have the meaning set forth in Section 4.2.

"Sponsor" shall mean any person or entity that enters into a Sponsorship Agreement with TMO and the City.

"Sponsorship" shall mean a contractual arrangement between the TMO and a Sponsor with all of the following characteristics:

(a) Has a term of not less than two (2) years, or a shorter period, if approved in writing by the Executive Director in his or her sole discretion, subject to earlier termination by the City or the TMO for actions by the Sponsor that are detrimental to the City or the Airport, in the City's or the TMO's reasonable judgment;

(b) Includes consideration provided by the Sponsor in return for the grant of a Sponsorship in the form of both monetary payments and in-kind contributions in the form of Sponsorship Activation;

(c) Grants certain rights to the Sponsor within all or a portion of a Facility, which may include Exclusivity, specified Entitlements, Digital Activation, and an integrated multi-platform brand marketing campaign, which may include traditional Advertising Display rights; and

(d) Grants the Sponsor a Marketing Designation.

"Sponsorship Activation" shall mean the creation, operation and maintenance of enhancements to the passenger experience at the Airport through the coordinated action of the Sponsor and the TMO, which enhancements shall support the mission of the City and benefit Airport passengers in general, tangibly or intangibly. Such enhancements, which must in each instance be approved in advance by the City, may address specific passenger needs and wants that are currently unmet, as identified by the City from time to time through passenger interviews, market research or through other means. A Sponsorship Activation need not benefit all Airport passengers equally and may target one or more specific passenger segments. With the prior written approval of the City, a Sponsor may recover some (but not all) of the cost of providing a Sponsorship Activation through fees charged to the passengers using such Sponsorship Activation.

"Sponsorship Agreement" shall mean an agreement between TMO and a Sponsor in a form approved by the City and setting forth the details of a Sponsorship by the Sponsor at the Airport.

"Sponsorship Package" shall have the meaning set forth in Section 5.2.1.

"Stabilization Date" shall mean the date which is thirty-six (36) months after the Other Facilities Commencement Date.

"Storage Premises" shall mean such area within the Airport as may be leased or licensed to TMO pursuant to a Storage Space Addendum substantially in the form of Exhibit "E".

"TBIT Delivery Date" shall mean the Effective Date.

"TBIT Display Locations" shall mean the Display Locations shown on the ADP, as modified or amended from time to time as provided in this Agreement, located within the TBIT Facilities.

"TBIT Facilities" shall mean the Tom Bradley International Terminal (including the Bradley West Modernization area and the concourses which are a part thereof).

"TBIT Facilities Commencement Date" shall mean the Delivery Date for the TBIT Display Locations and Licensed Area.

"TBIT Monthly Guarantee" shall have the meaning set forth in Section 4.1.1(a).

"TCM" shall mean the applicable Terminal Concessions Manager for the applicable Facility or Facilities.

"Telecommunication Facilities" shall mean and include the installation, operation, and provisioning of telecommunications circuits, conduit, cabling, antennas, equipment, infrastructure and service connections thereto.

"Telecommunication Service Providers" shall mean and include cable and equipment installation contractors, system operators, and any entity which provides telecommunication services, such as Sprint, Verizon, AT&T, government entities, or other tenants.

"Temporary Display" shall mean an Advertising Display (including without limitation, a kiosk) that is designated in the applicable Business and Operations Plan to be temporary and used for a specific, limited period described in such Business and Operations Plan.

"Term" shall mean the period commencing on the Effective Date and ending on the Expiration Date, unless sooner terminated as provided herein.

"Terminal" means TBIT or any of Terminals 1 through 8 and the Commuter/Regional Facility located at the Airport.

"TIAP" shall mean the Tenant Improvement Approval Process maintained by the City for undertaking Improvements at the Airport, as modified from time to time.

"TMO" shall mean the terminal media operator identified in the Basic Information.

"TMO Additional Display Locations Proposal" shall have the meaning set forth in Section 1.8.

"TMO Content" shall mean Content that is owned or controlled by TMO or TMO Parties prior to the Effective Date or, other than Customized Content, that is conceived, developed, caused to be developed or created after the Effective Date by TMO or TMO Parties other than in connection with the performance of its obligations hereunder.

"TMO Parties" shall mean TMO and its respective officers, directors, employees, agents, advisors, attorneys, and representatives.

"TMO's Maintenance Records" shall have the meaning set forth in Section 8.1.


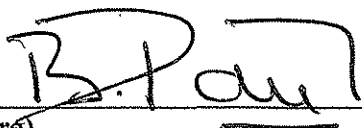

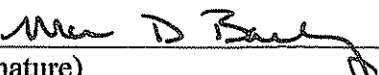
"TSA" shall mean the Transportation Security Administration within the United States Department of Homeland Security, or its duly constituted successor.

"VARA" shall have the meaning set forth in Section 16.17 of this Agreement.

"Wi-Fi" shall mean unlicensed wireless activities using IEEE 802.11(a), (b), (g), (n) or (ac) (collectively, 802.11(x)).

[Signatures on next page]

IN WITNESS WHEREOF, City has caused this Agreement to be executed on its behalf by Executive Director and TMO has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM: Michael N. Feuer, City Attorney Date: <u>December 3, 2013</u> By: <u></u> Deputy/Assistant City Attorney	CITY OF LOS ANGELES By: _____ Executive Director Department of Airports
By: _____ (Signature) _____ Print Name and Title	
TMO: JCDECAUX AIRPORT, INC. By: <u></u> (Signature) <u>Bernard Pansot, Co-CEO</u> Print Name and Title	JCDECAUX AIRPORT, INC. By: <u></u> (Signature) <u>Paul Ryan, CFO</u> Print Name and Title
ATTEST: By: <u></u> (Signature) <u>Marthe D. Bailey</u> Print Name and Title General Counsel	

GUARANTOR:
JCDECAUX NORTH AMERICA, INC.

By: B. Parisot
(Signature)

Bernard Parisot, Co-CEO
Print Name and Title

By: Paul Ryan
(Signature)

Paul Ryan, CEO
Print Name and Title

EXHIBIT A-1

TBIT FACILITIES
INITIAL ADVERTISING INVENTORY

INITIAL ADVERTISING INVENTORY - TBIT

EXHIBIT A-1

Contents

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A. The Initial Advertising Inventory for TBIT

- The Initial Advertising Inventory locations within TBIT are located outside the Great Hall, with the majority of the locations in the North and South Concourses, and a more limited inventory of locations in the Baggage Claim Area, the Ticketing Hall, and the CBP Arrivals Hall.
 - The Great Hall and the South Light Well connecting the Main Terminal Building to the Great Hall allow only for the sponsorship supported media features.
- 1. Main Terminal Building Initial Advertising Inventory**
 - The Main Terminal Building Initial Advertising Inventory identifies locations for static or digital media displays located on the pre-security side of TBIT which may be procured, installed, integrated, and operated by the TMO.
 - 2. Bradley West Initial Advertising Inventory**
 - The Bradley West Initial Advertising Inventory consists of the approved types and locations for digital and static media displays in the Bradley West Concourses, baggage claim and CBP Arrivals Hall which may be procured, installed, integrated and operated by the TMO.
 - The majority of approved digital locations in the Concourses have power and data, with exceptions noted.
 - Digital Advertising assets within the Concourses include eight types of display installations, all integral to the architecture of the concourse. Static advertising displays include three types of installations, which also must be integral to the architectural treatment of the concourse.
 - All digital assets are supported by the Content Delivery System (CDS) designed for the overall display system, referred to as LAWA's Integrated Environmental Media System (IEMS).
 - Several advertising assets are also permitted in the Baggage Claim Area and CBP Arrivals Hall, which are also described based on the locations and types of displays permitted.

BRADLEY WEST/TBIT INITIAL ADVERTISING INVENTORY

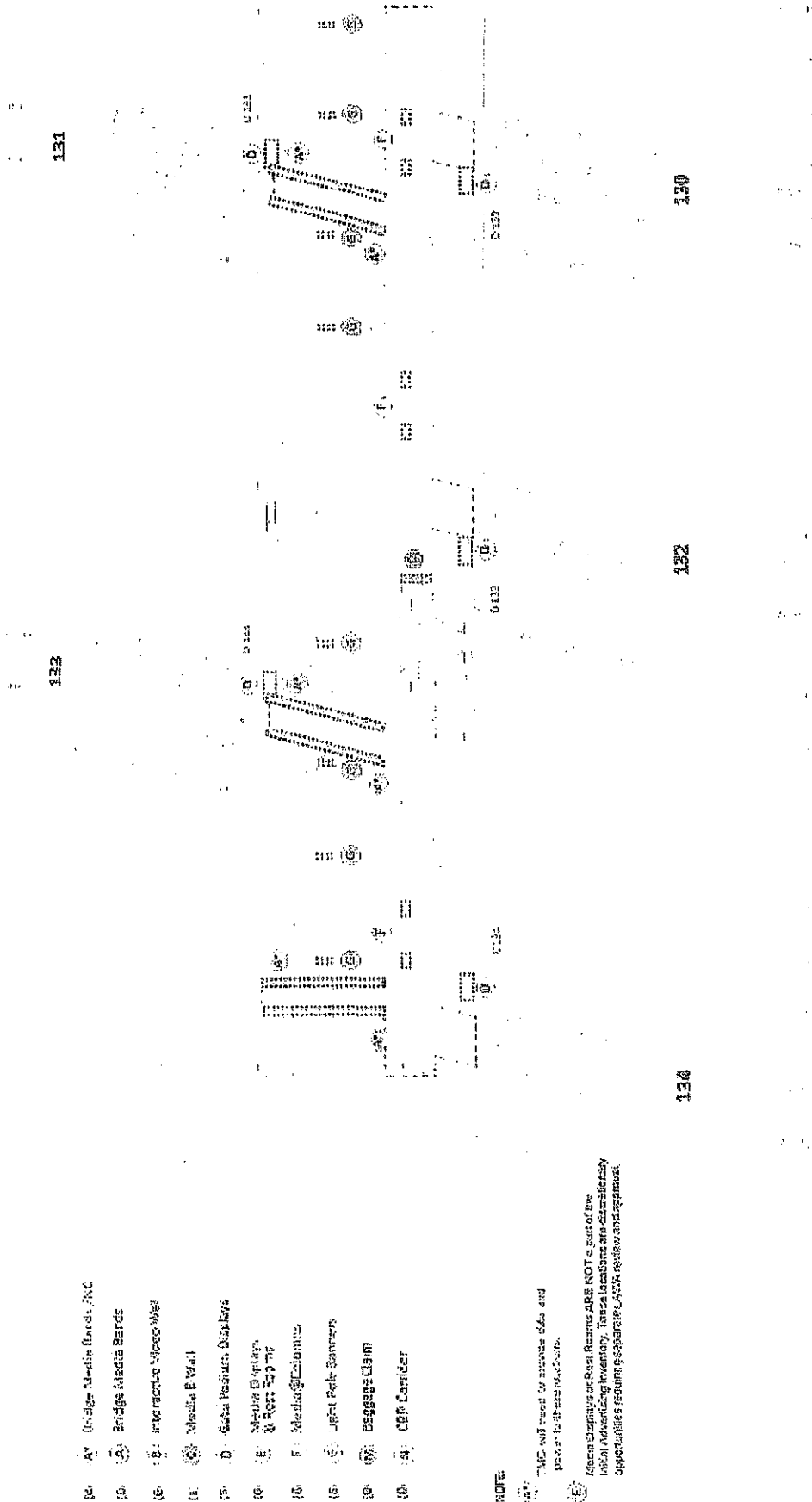
Asset Name	Device	# of Assets	Qty per Asset	Total quantity	Number of Signals per Asset	Total Signals	Playback Channels	Signal Resolution
DIGITAL ADVERTISING DISPLAYS								
A*	Bridge Displays	6	10	60				
A	Bridge Displays	9	10	90	3	27	HD	1920x1080
C	E-Wall	6	5	36	2	12	HD	1920x1080
E	E Displays	24	1	24	1	24	HD	1920x1080
F	F Displays (Columns)	16	1	16	1	17	HD	1080x1920
D	Gate Podium	15	4	60	1	15	HD	1920x1080
B	Interactive Wall	1	24	24	6	6	GC	1920x1080
N	C&P E-Wall	2	6	12	2	4	HD	1920x1080
M	Baggage Claim	4	1	4	1	4	HD	1920x1080
Totals		83	63	326		109		68
STATIC DISPLAYS/ADVERTISING								
G	Light Pole Banners	25	2	50				
J	Main Terminal Building	7		7				

potential additional media locations requiring TMO provision of Data and power (on IEMS)

Concourse locations with infrastructure for TMO procured digital ADVERTISING displays (to be integrated with IEMS).

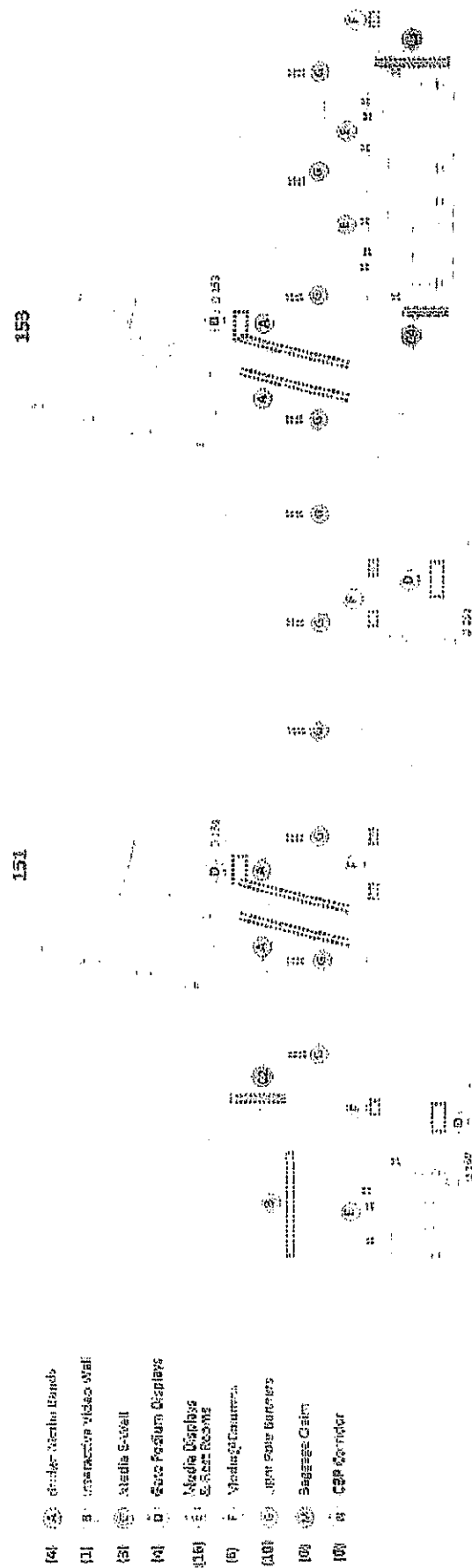
Locations for static ADVERTISING displays

Bradley West (Level 04): North Concourse Initial Advertising Inventory



NOTE: Quantities per element are for the area depicted.

Bradley West (Level 04): South Concourse (Gates 150-153) Initial Advertising Inventory

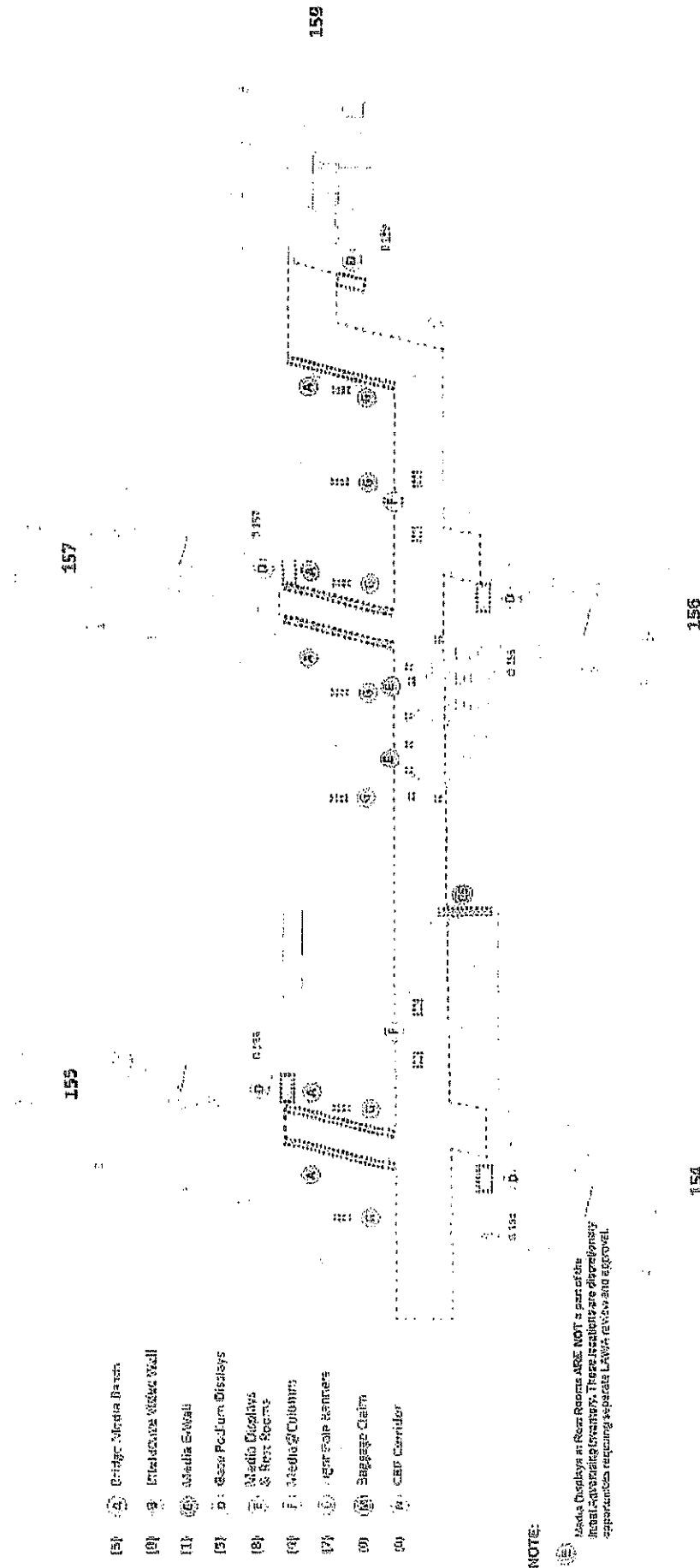


NOTE:

Media Displays at Rest Rooms ARE NOT a part of the Initial Advertising Inventory. These locations are discretionary opportunities requiring separate LAYCA review and approval.

NOTE: Quantities per element are for the area depicted.

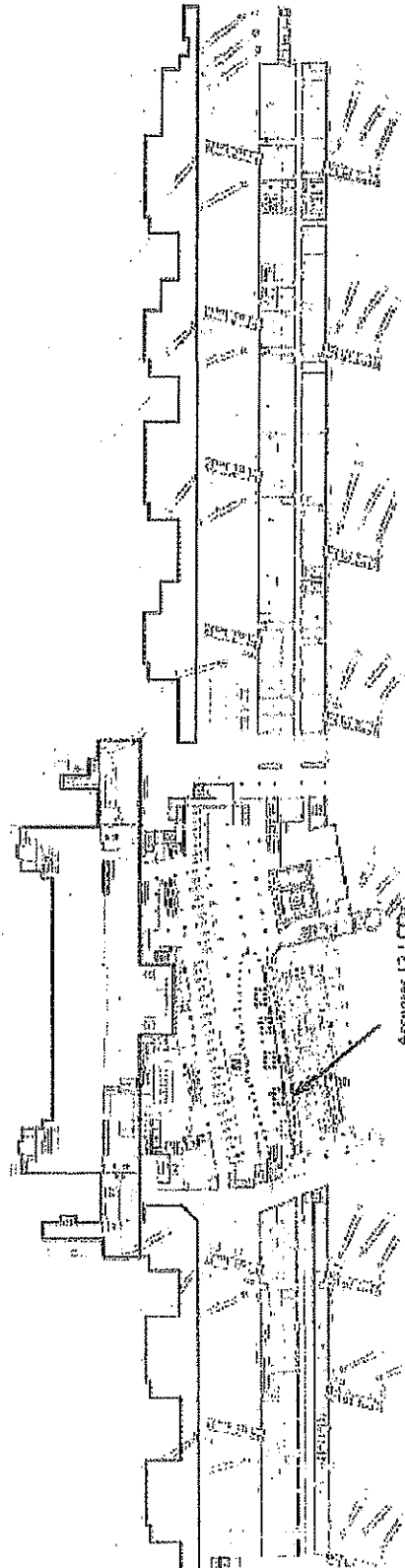
Bradley West (Level 04): South Concourse (Gates 154-159) Initial Advertising Inventory



NOTE: Quantities per element are for the area depicted.

Bradley West (Level 03): CBP Arrivals Hall Initial Advertising Inventory

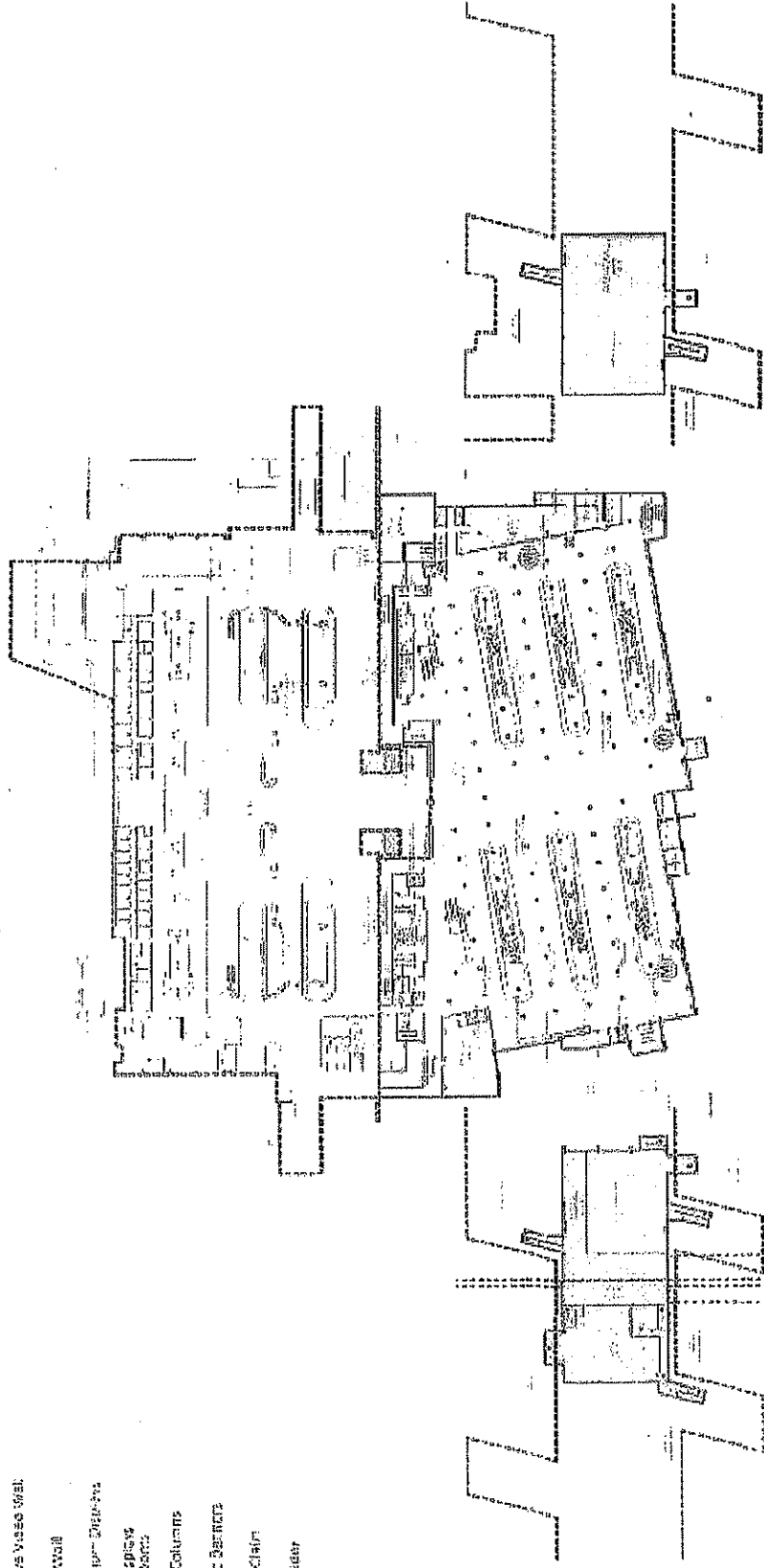
- (01) (A) Integrated Media Panels
- (02) (B) Interactive Video Wall
- (03) (C) Media Server
- (04) (D) Cable Tether Displays
- (05) (E) Media Displays & Peripherals
- (06) (F) Media@Guarantee
- (07) (G) Light Pole Displays
- (08) (H) Sandscape Churn
- (09) (I) CBP Corridor



NOTE: Quantities per element are for the area depicted.

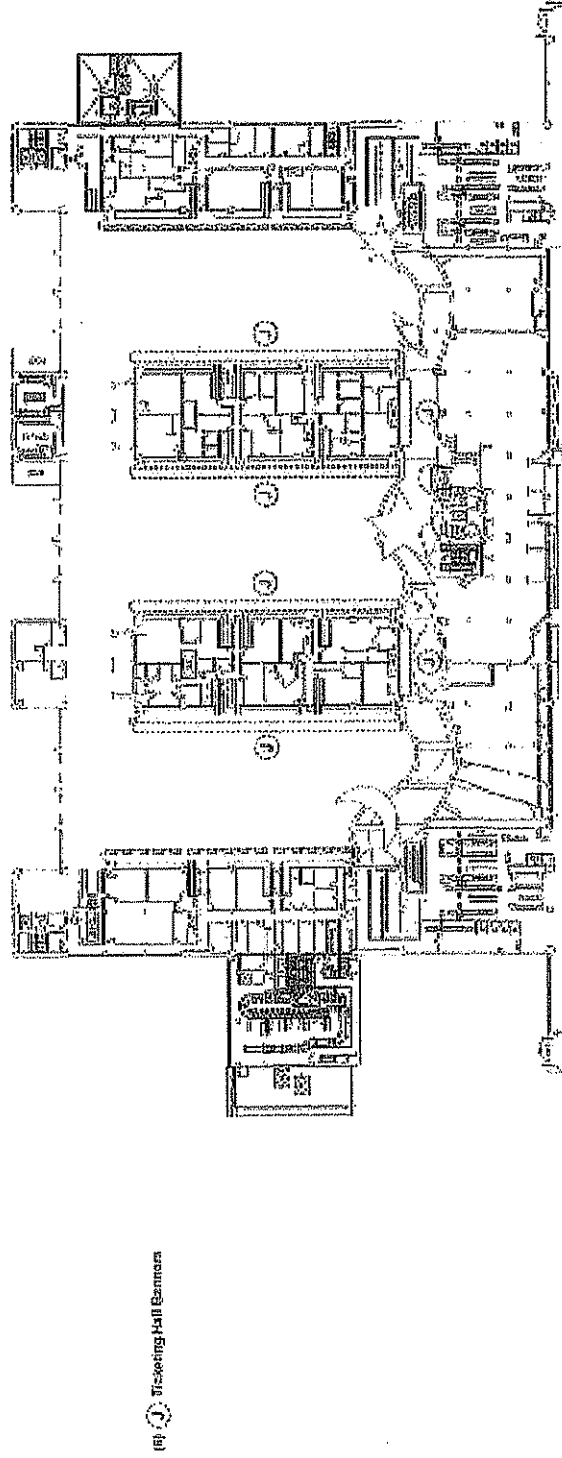
Bradley West (Level 01): Baggage Claim Area Initial Advertising Inventory

- (01) (A) Orange Media Boxes
- (01) (B) Interactive Video Wall
- (01) (C) Media Kiosk
- (01) (D) Gate Signage Displays
- (01) (E) Media Displays at Restrooms
- (01) (F) Media@Columns
- (01) (G) Light Pole Displays
- (01) (H) Baggage Claim
- (01) (I) Airport Security



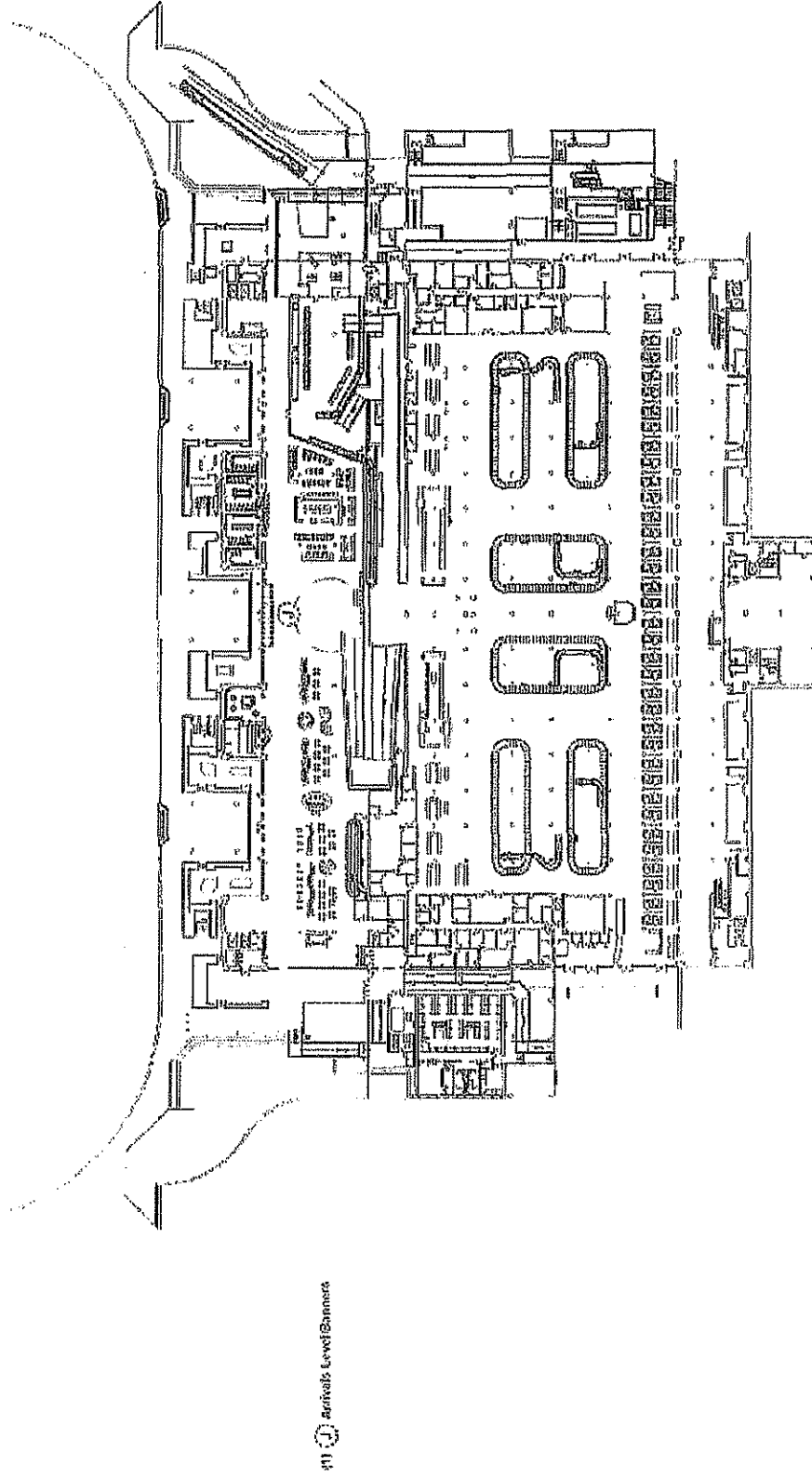
NOTE: Quantities per element are for the area depicted.

Main Terminal Building: Ticketing Hall Initial Advertising Inventory



NOTE: Quantities per element are for the area depicted.

Main Terminal Building: Arrivals Level Initial Advertising Inventory



NOTE: Quantities per element are for the area depicted.

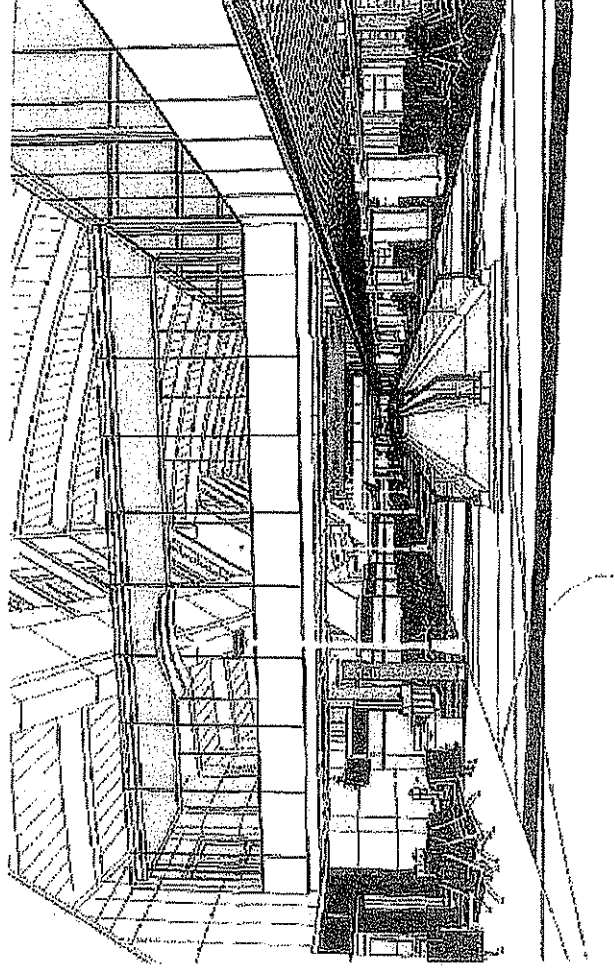
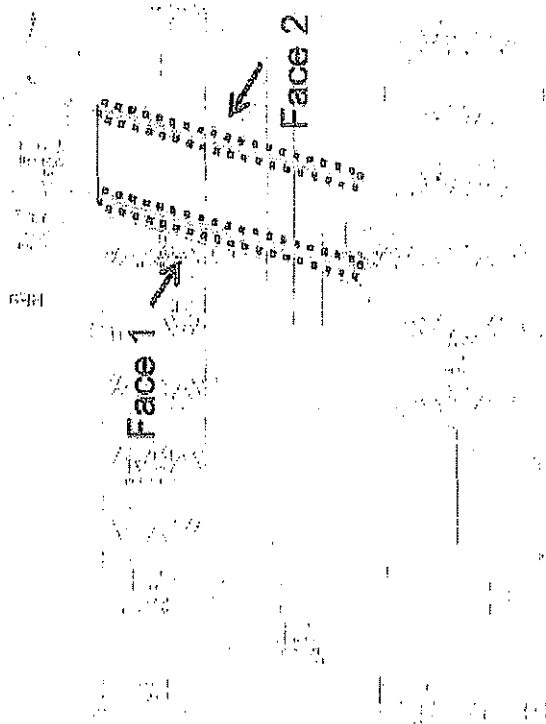
B. Digital Advertising Locations and Elements



Concourse Media Elements: Bridge Media Bands

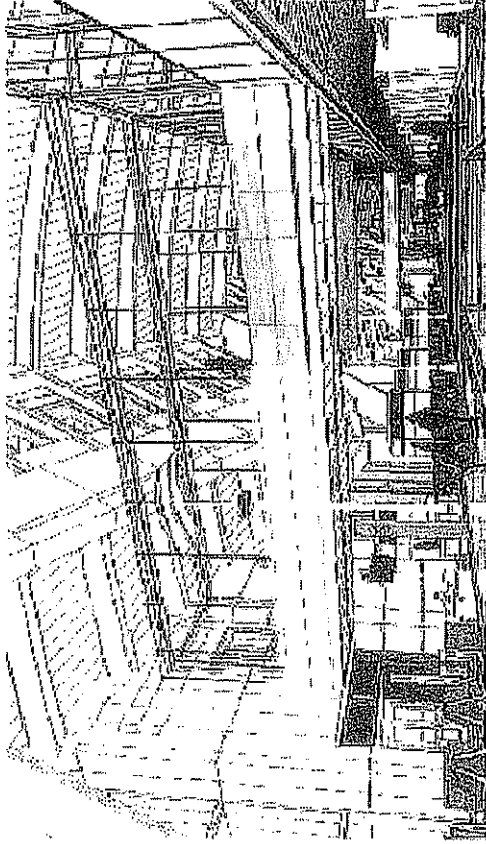
- The Arrival Bridges that connect the upper level passenger arrival gates to the CBP Sterile corridor form a powerful architectural "cadence" along both the North and South Concourses.
- Integrating a matrix of "zero bezel" ultrathin displays on both faces of this architectural feature provides the opportunity for an impactful media asset.
- Integration requires a seamless fit such that the display appears to be inset or flush-mounted onto the bridge element; displays which protrude or otherwise detract from this architectural element will not be permitted.
- The TMO may use the bridge media bands for either advertising and/or sponsorship. In no case will the matrix display more than one advertiser's or sponsor's content at one time.
- The TMO will be required to provide atmospheric content or LAWA identity content on the media bands, based on themes consistent with the Foundation Content, between advertising or sponsorship content, for a minimum of 20% of the 60 minute program period or 12 minutes per hour, typically before and after intervals of commercial content.
- Nine (9) bridge faces are provided with power and data in the South Concourse to support this installation.
- The six (6) available bridge faces in the North Concourse will require the TMO to provide power and data to support this opportunity.
- All installations require LAWA approval in accordance with the Agreement.

(A) Concourse Media Elements: Bridge Media Bands

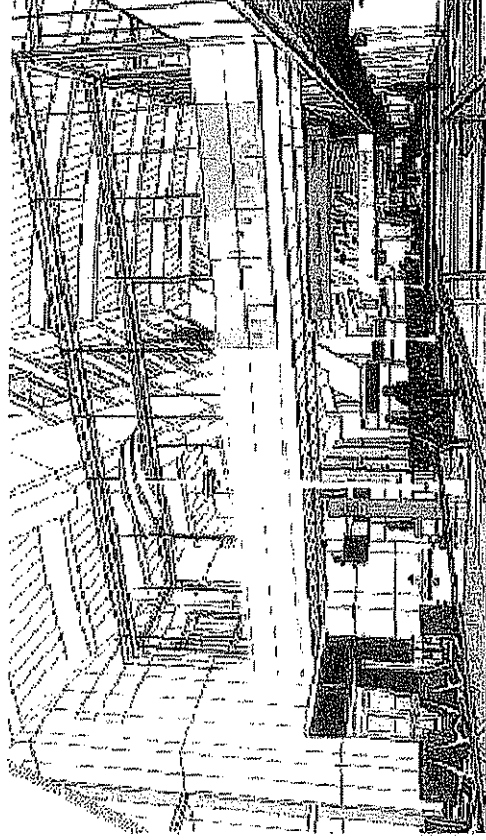


- Does not impede passenger flow
- Creates high impact opportunity
- Integral to architecture
- Programmable Display

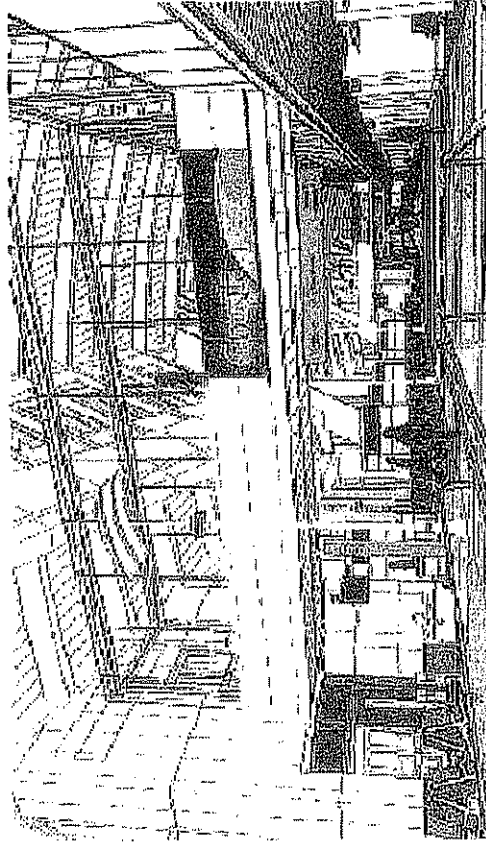
(A) Concourse Media Elements: Bridge Media Bands



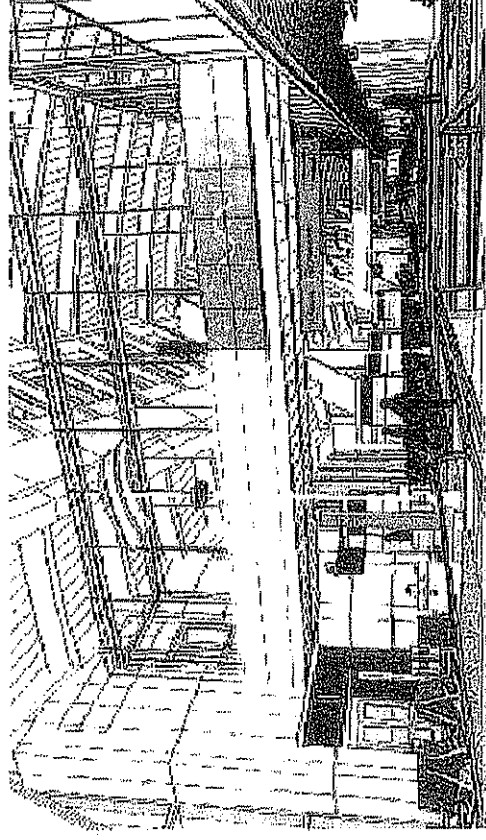
Atmospheric Content



Host Content



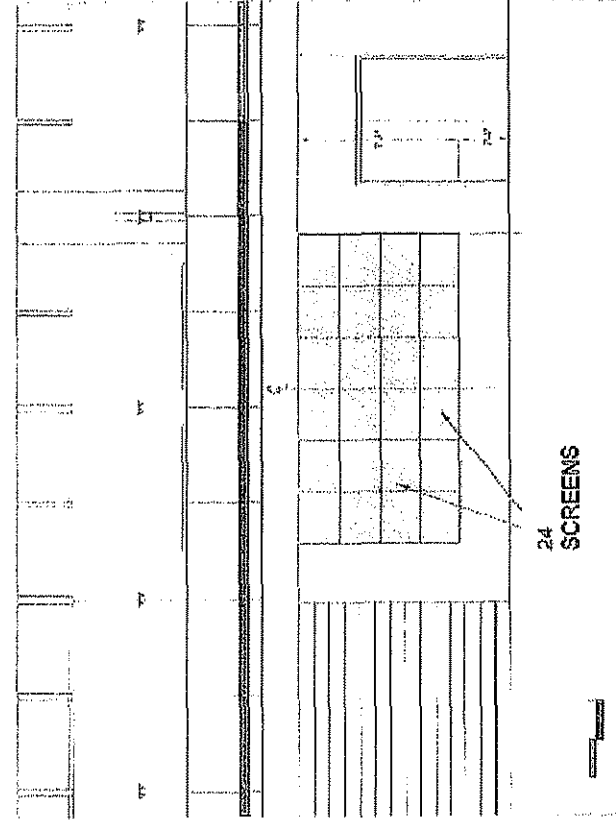
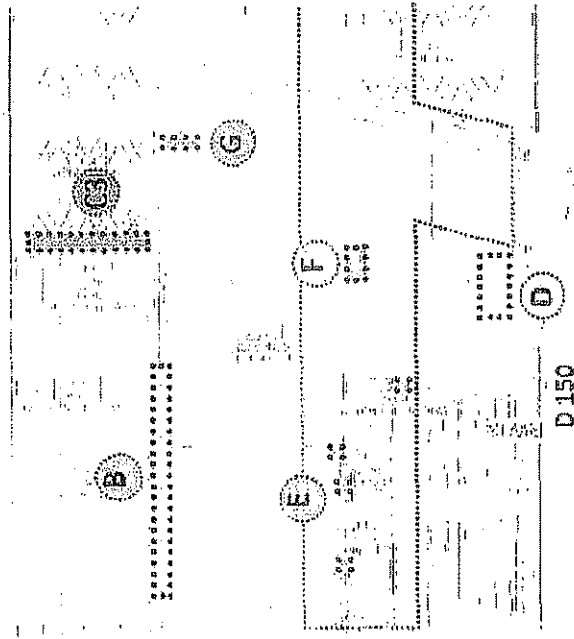
Sponsor Brand Identity



Advertising

B Concourse Media Elements: Interactive Media Wall

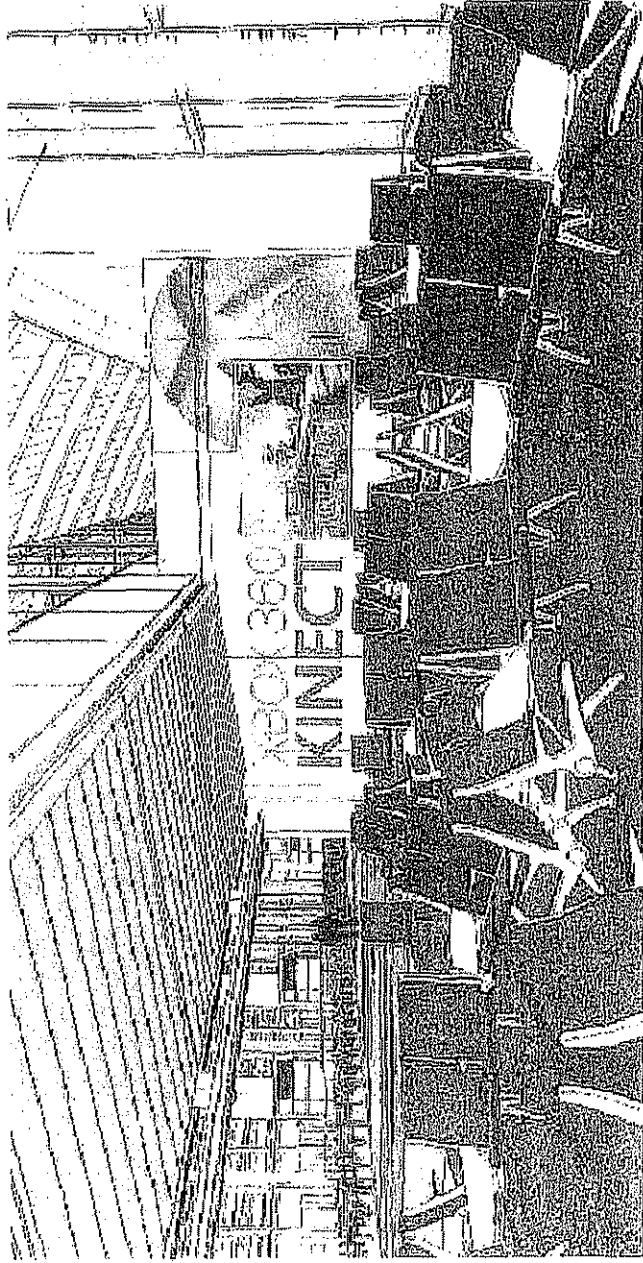
- An interactive media wall located on the east side of the South Concourse fronting the Storage Room opposite Gate 150 has been provided with power and data by LAWA.
- The interactive media wall is planned as a matrix of 24 ultrathin 46" LCD's which are multi-touch sensitive (for engagement of multiple passengers.)
- The interactive media wall should be designed with zero bezel displays to form a continuous surface with minimal grid lines, and inset into the knock-out frame provided at this location.
- All installations require LAWA approval in accordance with the Agreement.





Concourse Media Elements: Entertainment Media Display Wall (E-Wall)

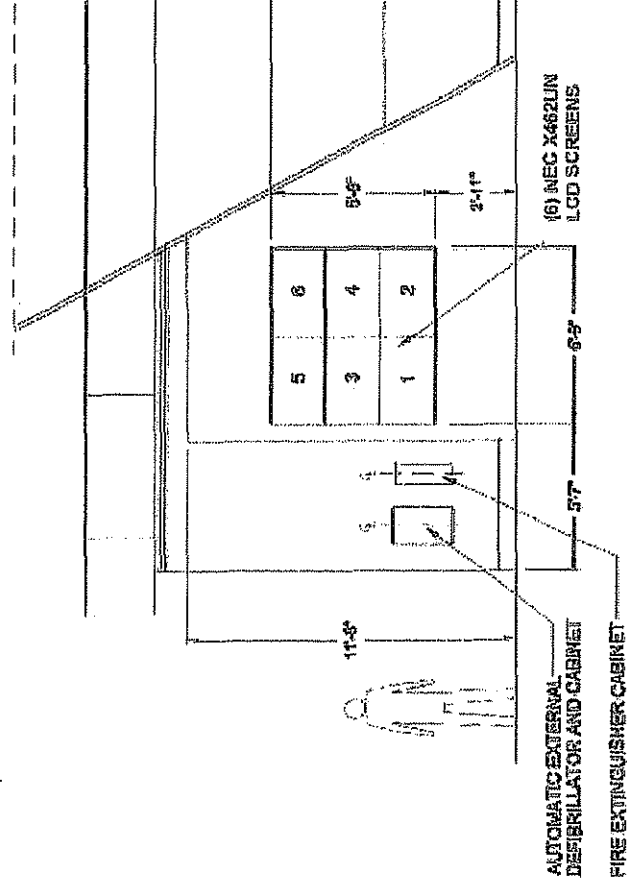
- Several "E-Walls" (Entertainment Media Display Walls) have been prepared for entertainment displays that might include television, smart TV displays or game displays.
- Four (4) E-Walls are available in the South Concourse; and one (1) in the North Concourse.
- Regardless of the display interface, should this opportunity be pursued, the displays or display matrix should be mounted within a frame to create a seamless appearance and add to the ambience of the respective hold area.
- Display screens should be sized based on industry standards for viewing distance relative to the intended zone of passenger interaction.
- All installations require LAWA approval in accordance with the Agreement.





Concourse Media Elements: Entertainment Media Display Wall (E-Wall)

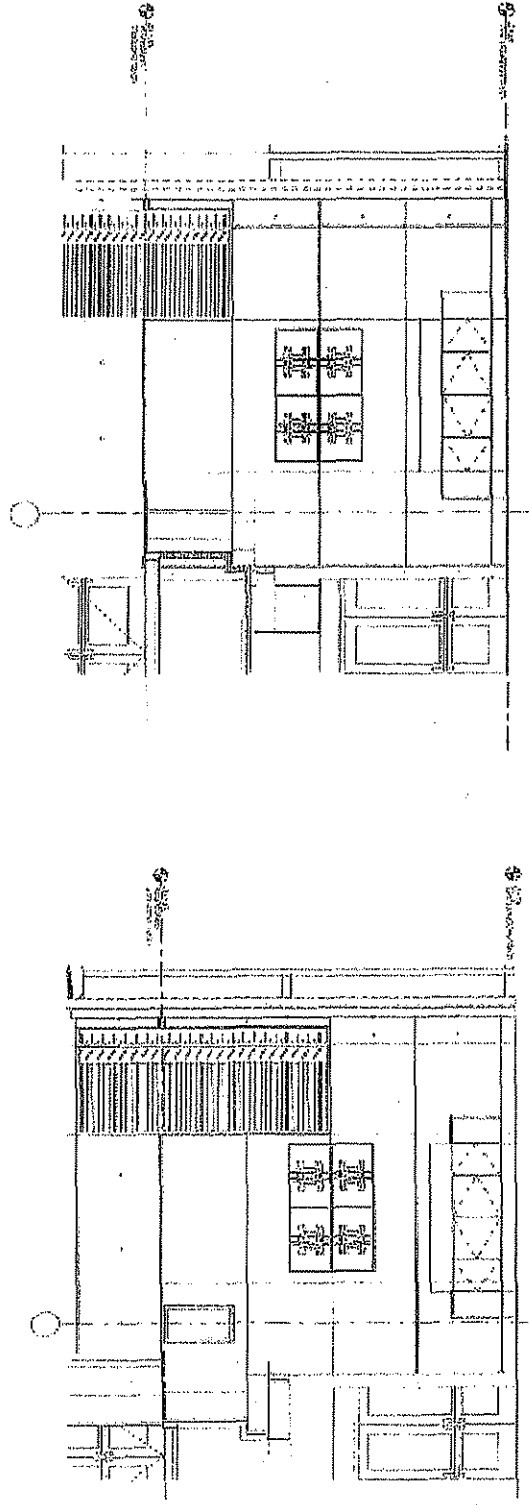
Typical Condition:



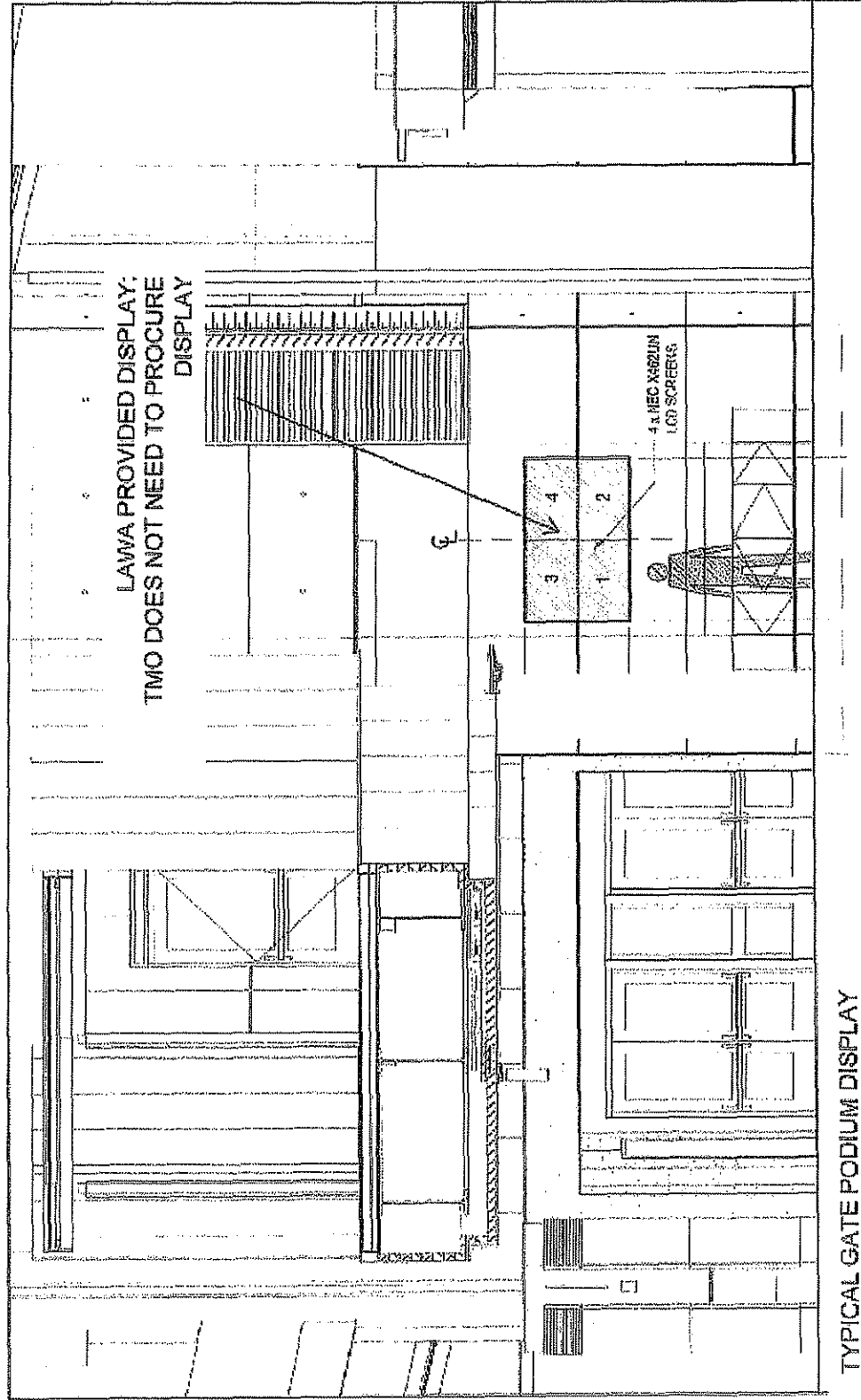
D

Concourse Media Elements: Gate Information Displays

- LAVA has procured NEC 46" ultra-narrow bezel MultiSync® x 46 UN displays in 2x2 "quad" configurations for each of the fifteen (15) gates in the North and South Concourses.
- All four (4) displays in the matrix may be used by the TMO for advertising or sponsorship when a gate is not active.
- The TMO will be required to provide atmospheric or LAX identity content on the GIDs, through the use of the Foundation Content provided by LAVA or themes consistent with the Foundation Content for a minimum of 20% of the 60 minute program period or 12 minutes per hour, typically before and after intervals of commercial content.



(D) Concourse Media Elements: Gate Information Displays



D) Concourse Media Elements: Gate Information Displays

Gate information displays are used to provide passengers with the most current information regarding their flight status. These displays are typically located in the concourse area, near the boarding gates, and are used to display flight numbers, destinations, departure times, and boarding instructions.

The displays are typically divided into two main sections: the top section displays flight numbers and destinations, and the bottom section displays departure times and boarding instructions. The displays are typically updated in real-time, and are used to provide passengers with the most current information regarding their flight status.

The displays are typically used to provide passengers with the following information:

- Flight numbers and destinations
- Departure times and boarding instructions
- Gate numbers and boarding instructions
- Baggage claim information
- Security screening information

The displays are typically used to provide passengers with the most current information regarding their flight status, and are used to provide passengers with the following information:

- Flight numbers and destinations
- Departure times and boarding instructions
- Gate numbers and boarding instructions
- Baggage claim information
- Security screening information

Gate information displays are used to provide passengers with the most current information regarding their flight status. These displays are typically located in the concourse area, near the boarding gates, and are used to display flight numbers, destinations, departure times, and boarding instructions.

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The displays are typically used to provide passengers with the following information:

- Flight numbers and destinations
- Departure times and boarding instructions
- Gate numbers and boarding instructions
- Baggage claim information
- Security screening information

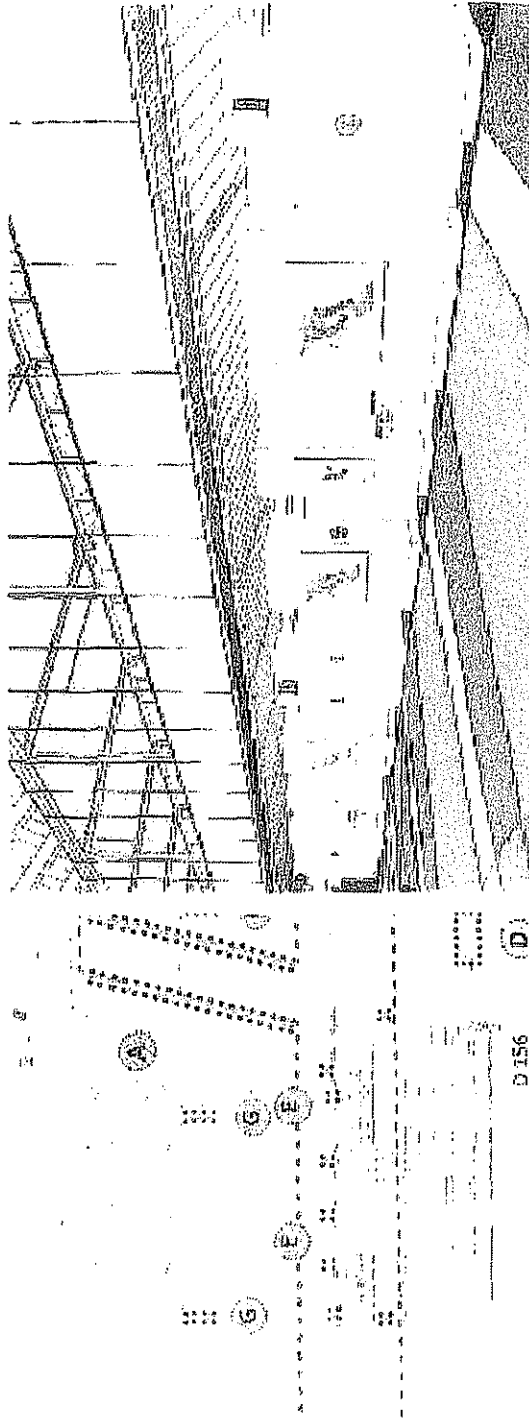
The displays are typically used to provide passengers with the most current information regarding their flight status, and are used to provide passengers with the following information:

- Flight numbers and destinations
- Departure times and boarding instructions
- Gate numbers and boarding instructions
- Baggage claim information
- Security screening information



Concourse Media Elements: Media Displays at Restroom Locations

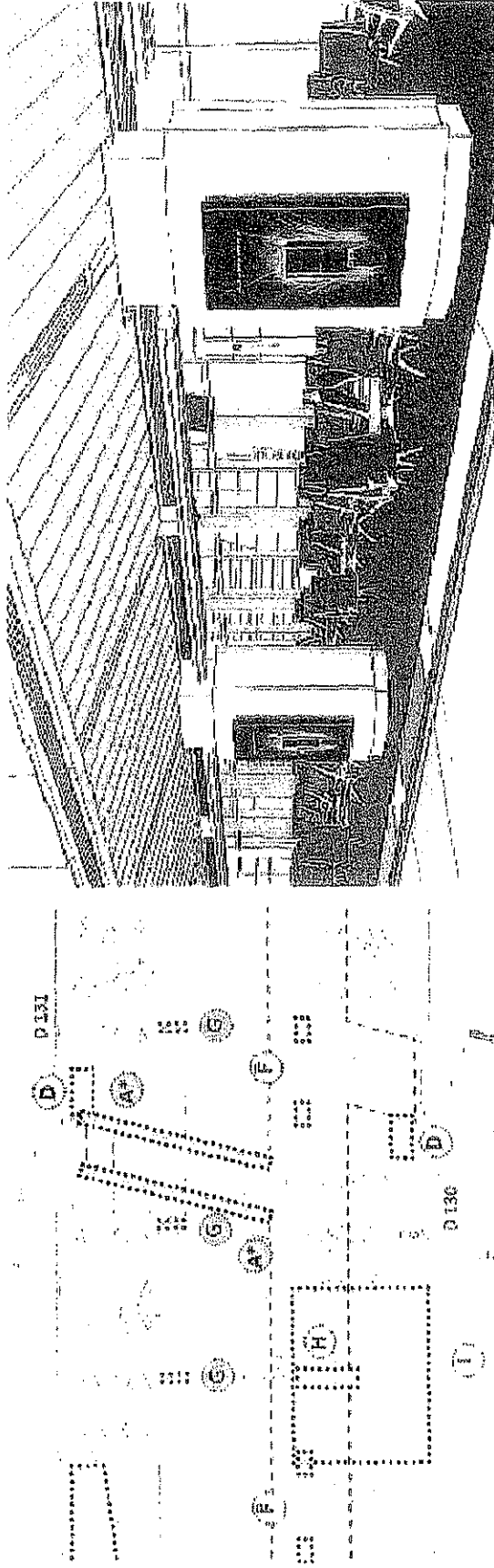
- Media Display locations are provided with power and data at each restroom wall facing the concourse.
 - Six (6) optional sites within each location are provided for advertising media, which may be static or dynamic.
NOTE: The Media Displays (Type 'E') are not part of the Initial Advertising Inventory.
- To create impactful presentations with the minimum inventory, the TMO must select those locations and those sites within each location which best meet the guideline criteria.
- These wall mounted displays should be as integral as possible to the specific interior wall elevation and should be of uniform size and format.
- All installations require LAWA approval in accordance with the Agreement.



(F)

Concourse Media Elements: Vertical Displays @ Columns

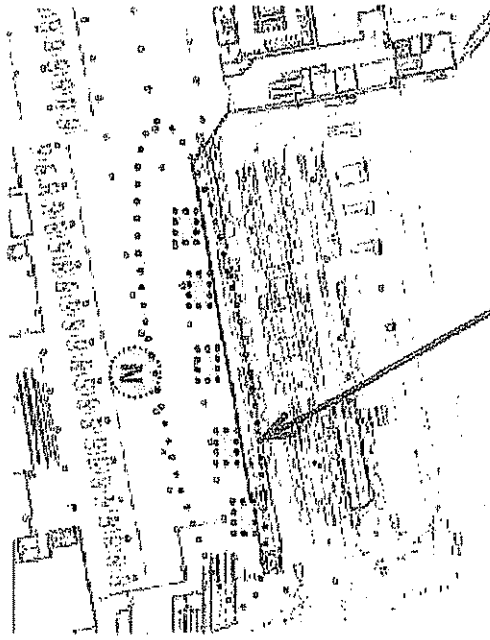
- Sixteen (16) columns have been prepared with power and data, and designed with stainless steel binnacles designed with removable face plates to receive portrait-oriented, vertical displays.
- The Vertical Displays should be approximately 65" to 70," 1080, high definition plasmas or LCD displays.
- All installations require LAWA approval in accordance with the Agreement.





Concourse Media Elements: CBP Arrivals Hall

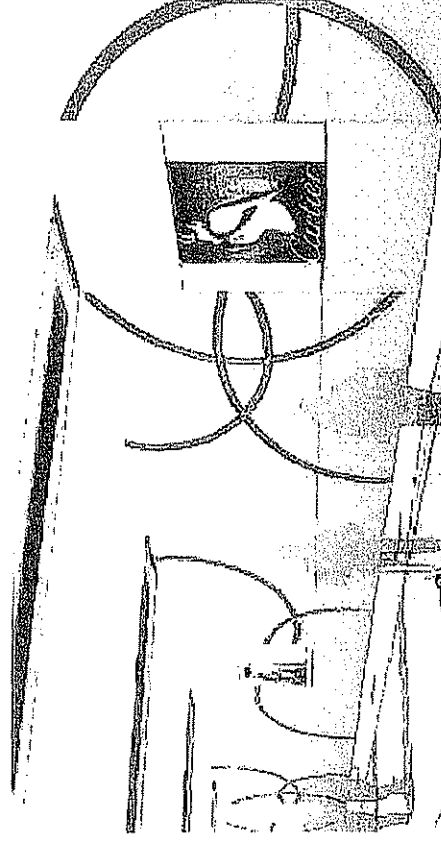
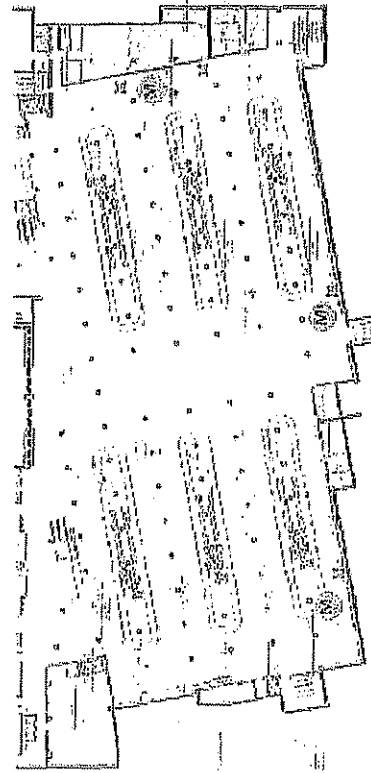
- Five (5) locations have been prepared in the CBP Arrivals Hall for matrix displays of 46" LCD's.
- These wall-mounted displays should be designed to be integral to the interior architecture.
- Displays should be mounted so as to be as integral to the wall as feasible, with ultra-thin LCD's or similar displays in attractive casings
- All installations require LAWA approval in accordance with the Agreement.





Concourse Media Elements: Baggage Claim Media Locations

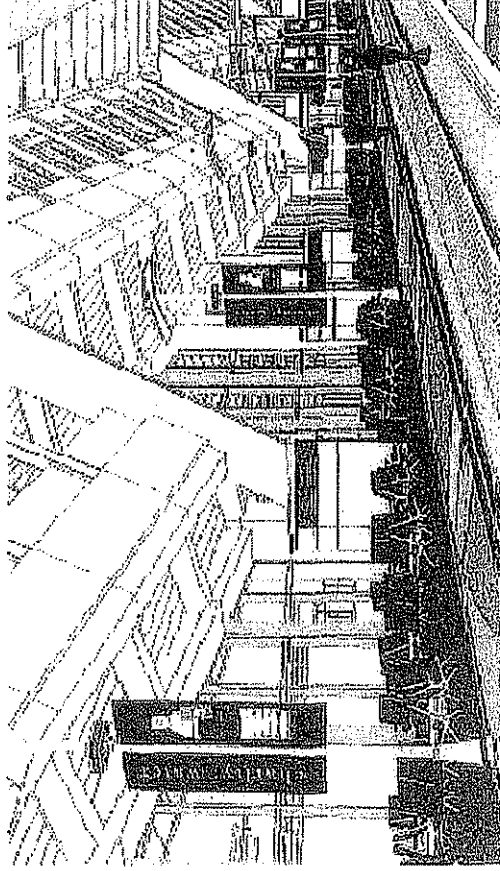
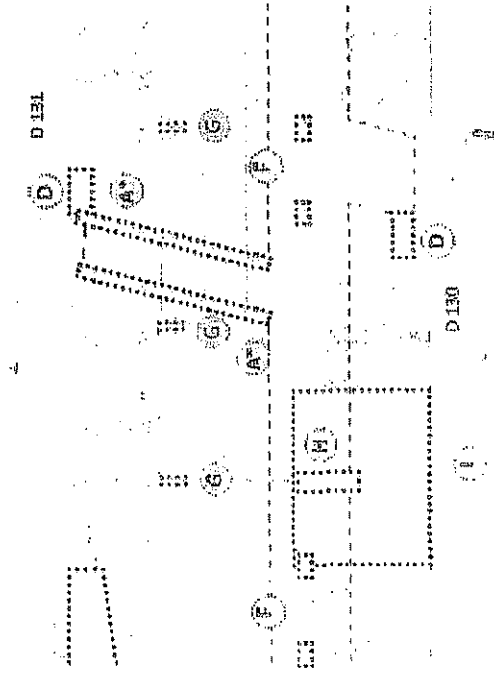
- Four (4) locations have been prepared in the Baggage Claim area for digital displays that opportunities
- These wall-mounted displays should be designed to be integral to the interior architecture.
- Displays should be mounted so as to be as integral to the wall as feasible, with ultra-thin LCD's or similar displays in attractive casings
- All installations require LAWA approval in accordance with the Agreement.



C. Static Advertising Locations and Elements

G Concourse Media Elements: Light Pole Banners

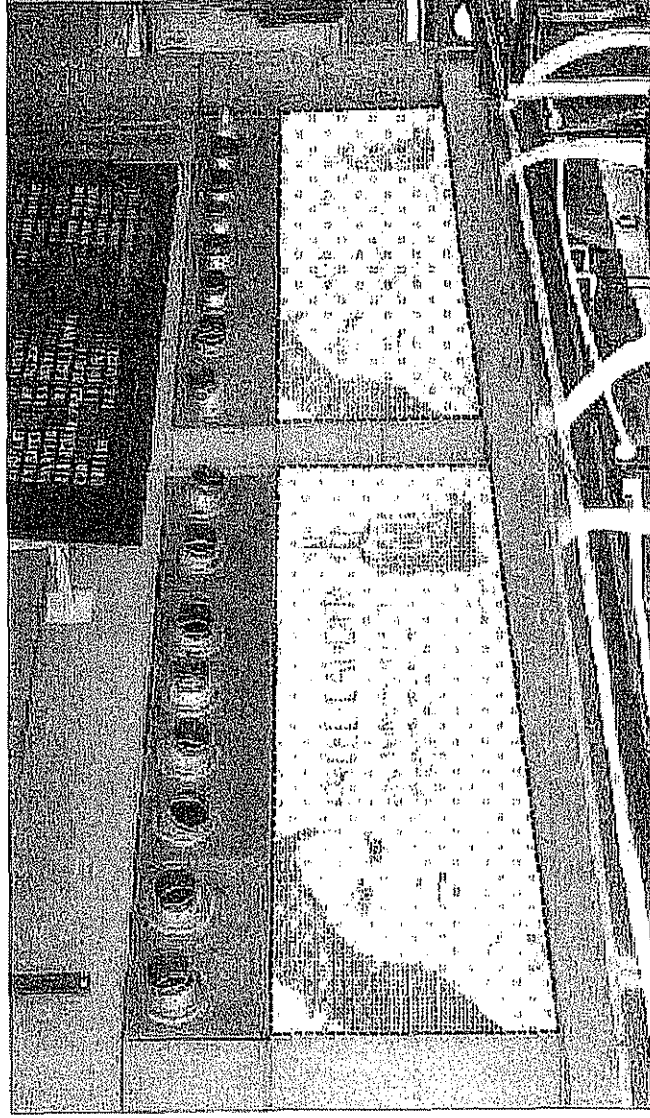
- The TMO may hang advertising banners (or sponsor banners) from 25 light poles distributed across the North and South Concourses, as noted in the Concourse element diagrams.
- LAWA has provided brackets on the designated light poles for hanging the static banners
- Banner dimensions must meet LAWA's requirements.
- All installations require LAWA approval in accordance with the Agreement.





Ticketing Hall & Arrivals Level: Static Displays

- Static display banners are illustrated in six (6) locations above the ticketing counter positions within the Ticketing Hall and one (1) framed static banner location immediately above the exit/entry doors at the center of the Arrivals Level. The TMO may, if appropriate, provide digital displays in lieu of the illustrated static display banners.
- These wall mounted displays should be as integral as possible to the specific interior wall elevation and should be of uniform size.
- All installations require LAWA approval in accordance with the Agreement.



**Sponsorship Program Goals,
Initial Sponsorship Inventory
and Sponsorship Guidelines**

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1. Sponsorship Program Goals

LAWA has identified corporate sponsorship as an integral part to achieving its dual goals of enhancing the passenger experience and creating a new revenue platform complimentary to, but distinct from, advertising revenues. LAWA management views sponsorship as an essential component of the TMO's execution program. LAX is particularly well suited to sponsorship given its top ranked international and domestic status, its passenger demographics and volume, the global recognition of its iconic features as depicted in movies and television, the broad recognition of LAX call letters, and its role as portal to Los Angeles, Southern California and the Pacific Rim.

To expand on these advantages, LAWA has developed a portfolio of iconic LAWA Owned Media Assets designed to provide an unparalleled platform for corporate sponsorship. LAWA expects the TMO to implement a sponsorship strategy that will result in less overall media commercialization of LAX while also generating greater total media revenue. In addition, LAWA expects that sponsors will invest in on-site brand activations at LAX in the form of services, amenities and assets that will result in enhanced passenger experiences, especially for services that may otherwise not be provided. Finally, LAWA expects that corporate sponsorships will result in a discrete number of high-value, long-term business partnerships that provide LAWA with a stable base of revenue and a shared commitment to the passenger experience.

2. Sponsorship Program Structure

To implement its sponsorship-driven strategy, LAWA is offering the TMO a broad set of sponsorship rights and sponsorable assets. As discussed below, some of these rights and assets are specific to Bradley West (BW), the new expansion to the Tom Bradley International Terminal (TBIT), while others are airport-wide or may be set in other specific facilities.

Central to LAWA's sponsorship strategy is the concept of a limited number of multi-platform, high-value, high visibility corporate partnerships. To that end, LAWA will authorize a limited number of sponsorship arrangements at any given time, each of which must involve a significant long-term financial investment in the relationship with LAWA and LAX. This investment must include "hard dollar" cash commitments in the form of rights fees; "soft dollar" investments in enhancements to the passenger experience at LAX; and as appropriate the inclusion of the LAX brand or representative imagery in the sponsor's advertising and marketing.

This limited number of sponsorship arrangements will together comprise the "LAX Partners" program (the Program), which LAWA has created as a management umbrella for this initiative. Program engagements are intended to be at least three years in duration (five years if a naming right, as described below, is activated). Likewise, each LAX Partner is intended to meaningfully enhance the passenger experience at LAX through its on-site

brand presence and other activations by addressing specific passenger needs and wants that are not currently serviced.

The specific opportunities under the Program are outlined in the remainder of this Section.

2.1 Tom Bradley International Terminal / Bradley West Rights

Bradley West (BW), the new international terminal serving the Tom Bradley International Terminal (TBIT), has an array of sponsorship assets including seven iconic media features and two architecturally stunning concourses (described below). BW and TBIT offer specific sponsorship rights including naming rights opportunities, which are discussed in this section.

2.1.1 Naming Rights

Each of the nine assets identified in Section 2.2 may be entitled by a corporate sponsor. Entitlement may take several forms, including by way of illustration only, "the Acme Co. Time Tower," "the Time Tower presented by Acme Co.," or something of similar construction. The permissible forms of entitlement will be detailed in the Agreement.

Entitlements may be communicated to passengers through physical signage attached or immediately adjacent to the applicable asset (but subject in all instances to LAWA's design guidelines, operational requirements, and other factors set forth in the Agreement), and/or through virtual brand identity on the applicable asset itself. The Agreement will define the extent to which LAWA will make efforts to use the official entitled name in internal and external LAWA corporate communications.

LAWA expects that these naming rights will be implemented in combinations, such as (by way of example only) a single naming rights partner for both the North and South Concourse Portals, or a single naming rights partner for both the Welcome Wall and the Bon Voyage Wall.

2.1.2 Exclusivity and Partial Exclusivity

Depending on the business or product category, LAX Partners may also secure limited rights on an exclusive or semi-exclusive basis.

In general, LAWA is prepared to authorize the TMO to award exclusive or semi-exclusive rights, subordinate to other pre-existing Agreements entered into by LAWA, such as with food and beverage concessionaires, in business or product categories in which the product meets certain conditions: a) the applicable product can be physically consumed or acquired on-site at the airport (including, by way of example, soft drinks or snack foods); b) the applicable product or service is one of several relatively undifferentiated offerings in its industry (e.g., credit card); c) the applicable product or service fulfills a defined "want" or "need" which enhances the passenger experience.

(e.g., express package services); and/or d) the applicable product or service is a new market entrant (e.g., tablet computers).

To secure such exclusive rights, the TMO may also be required to reach mutually agreeable arrangements with other business entities within BW/TBIT, most notably Westfield, the company operating the retail and food and beverage concessions within the terminal, and the company operating the Duty Free business within the terminal. In cases in which exclusive sponsorship rights would be likely to cause material business disruption to such entities (for example, by proposing to restrict the products they could sell), the TMO and the affected party(ies) would need to agree on fair compensation, among other things, for such disruption and/or define the terms of exclusivity (including potential exceptions or carve-out).

The Agreement is expected to define the specific physical area(s) of the airport for which the exclusive rights shall apply.

The specific terms and conditions of the exclusive rights shall be defined in the Agreement. In general, full exclusivity shall mean that no competing product or service may have a brand presence in the applicable area(s) of the airport (i.e., if Product A has an exclusive relationship, then Product B may not be present within the designated areas through its products/service or through brand signage of any form). It should be noted, however, that there are likely to be exceptions or carve-outs to any grant of exclusivity due to existing LAWA contractual arrangements (including, for example only, airline First Class lounges).

2.1.3 Priority Sponsorship Program Categories

LAWA has identified certain business categories that should be priorities for the TMO's sponsor recruitment efforts (see Table 1). These categories have been identified because a) LAWA believes that they are most closely aligned with LAX as a public asset and/or its passenger demographics; b) the category offers a fit with LAWA's passenger experience objectives; and c) they are among those spending the most globally on sponsorships within public venues and places of assembly. The TMO may, however, pursue sponsorships in categories not identified here. For illustrative purposes, a non-exhaustive list of other LAWA-identified categories is also shown on Table 1.

2.1.4 Excluded Sponsorship Program Categories

LAWA has also specifically excluded certain business categories, which are noted on Table 1.

2.1.5 Airport-Wide Rights

In addition to the assets described above relating to BW/TBIT, LAWA will also include the following airport-wide sponsorship rights in the Program. These rights will be released based on a set of triggers and other criteria defined in the Agreement.

2.1.5.1 On-Site Brand Activation Rights

All LAX Partners will have the right – and the obligation, as discussed below in Section 3 – to activate their partnership with a significant presence within designated areas of LAX that provides for an enhancement to the passenger experience. The specific nature of this presence will vary depending on the sponsor's marketing objectives, but may include, among other things, passenger service offerings, entertainment/leisure experiences, traveler amenities, facility (e.g., hold rooms) enhancements, product displays, brand showcases, product / service sampling opportunities, or new product introductions.

In every instance, LAWA expects that the activation will focus on two specific objectives: a) exposing LAX passengers to innovative expressions of the brand(s) in question; and b) providing specific enhancements to the LAX passenger experience through services, amenities, facilities, entertainment or other improvements which address passenger wants and needs. For brand expressions, LAWA expects that such activity will generally be targeted at – or at least available to – the entire passenger base within the applicable area(s) of the airport. With passenger experience enhancements, on the other hand, LAWA understands that some enhancements may only apply to a subset of the passenger base (e.g., those that drive a personal car to the airport or those travelling with children).

2.1.5.2 Promotional Rights

All LAX Partners will have the right to utilize certain LAX intellectual property in consumer and trade advertising, marketing communications, and other promotional activities that take place beyond the airport. This intellectual property will include LAX photographic imagery, the LAX logo, and other LAX iconography such as the Theme Building.

LAX Partners will also have the right to use a designation such as "the Official _____ of LAX," "a Proud Partner of LAX," or something of similar nature, in marketing communications.

3. Initial Sponsorship Inventory

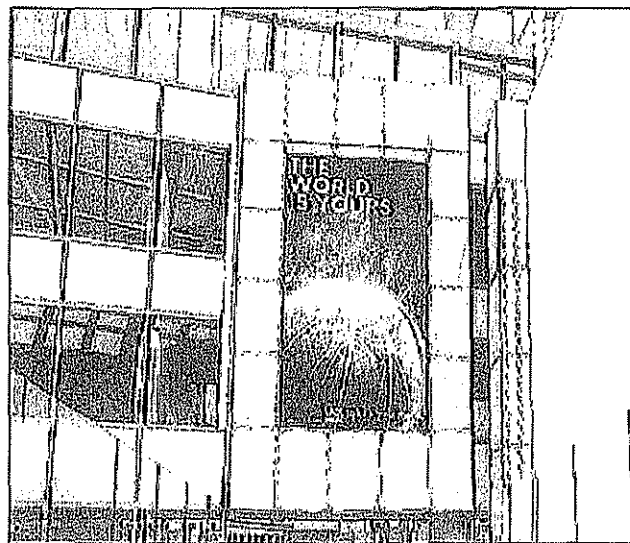
The Program consists of a substantial portfolio of physical assets that can serve as the foundation for corporate partnerships. The TMO may also include in the Program other

assets not specifically enumerated herein, such as (for example only) assets identified by LAWA as advertising inventory. The TMO may not, however, do the converse: use as advertising inventory the assets earmarked herein for sponsorship. Sponsors may, however, include advertising or commercial content in limited intervals and durations, as described below, on the sponsored assets.

3.1 Tom Bradley International Terminal / Bradley West Sponsorship Inventory

Tom Bradley International Terminal / Bradley West contains an array of iconic high definition media features that is unprecedented in any indoor space in the world, with seven sponsorable assets. These features are the centerpiece of the Program. They are supported by a sophisticated content management system; a powerful Content Delivery System ("CDS"); and a foundation of content developed to provide a specific identity and base of experience for each media feature.

3.1.1 Bon Voyage Wall

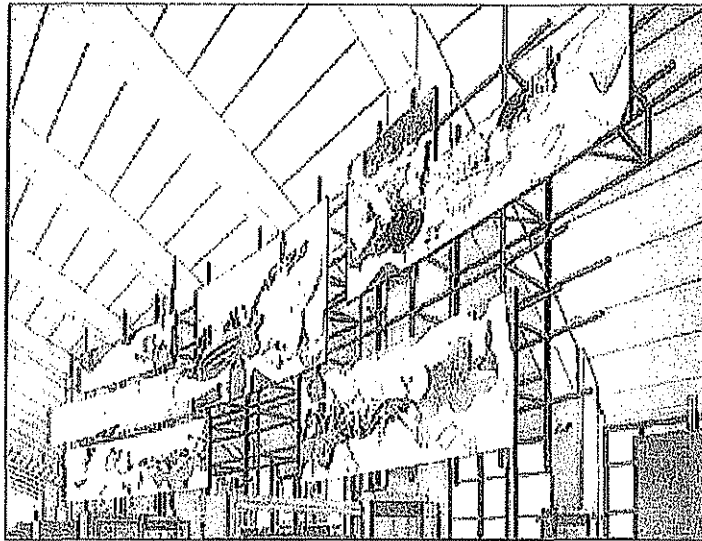


The Bon Voyage Wall, located at the entry to the Great Hall, provides a threshold experience for TBIT's 6 million passengers as they leave security. The 23' high by 13' wide high-resolution LED display will offer passengers multiple unique-to-LA "send-offs" via LAWA-commissioned Foundation Content, creating a highly memorable brand engagement opportunity.

The Bon Voyage Wall is located at the west end of the passenger departure bridge, within the South light well, which passengers enter after clearing security en route to the Great Hall.

The TMO may offer a sponsor any or all of the following opportunities for brand identification: brand identity content, which may comprise up to 20% of the applicable passenger interaction time; permanent signage in areas approved by LAWA; and/or creative content which the brand may introduce with its identity.

3.1.2 Story Board



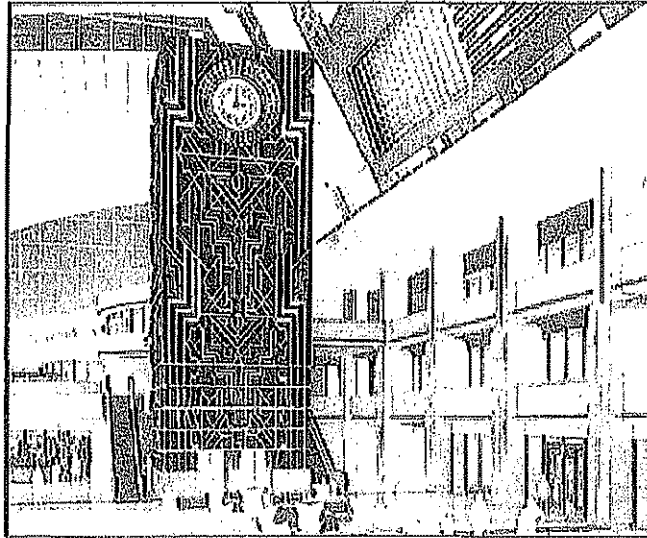
The Story Board, approximately 120' in length, will be the first media icon seen by passengers as they enter the Great Hall. With eight displays totaling 2,041 sf., this feature is designed as a symbol of L.A. as the capital of the creative industry.

The Story Board is located on the west side of the Great Hall at 22' above the retail shops, viewable from multiple vantage points, with full view of the expansive display from all upper level public areas surrounding the Great Hall.

To support its identity as a "story board," LAWA has commissioned over 90 minutes of Foundation Content including ambient narratives of Los Angeles, portraits of world cities, travel experiences, cultural and artistic themes, and atmospheric content.

The TMO may offer a sponsor any or all of the following opportunities for brand identification: brand identity content, which may comprise up to 20% of any 60 minute period throughout the day (12 minutes per hour); permanent signage in areas approved by LAWA; and/or created, curated or other sponsored content which the sponsor may introduce or conclude with its brand identity (logo, name, and message).

3.1.3 Time Tower

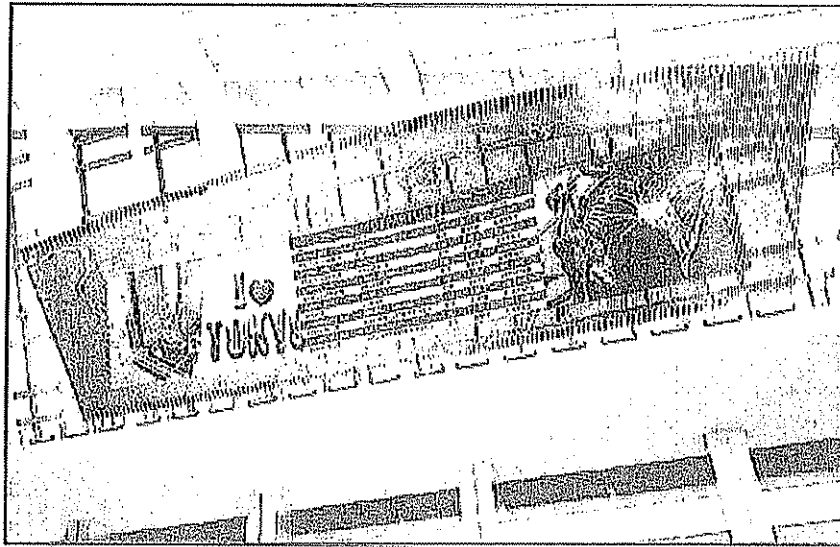


The Time Tower is a 72' tall four-sided media icon that serves as the focal point of the Great Hall. The Time Tower is built around the structure housing the Great Hall's primary elevator bank, in the northeast section of the Great Hall, at the principal vertical access point (via escalator and elevator) to the dining terrace restaurant(s), airline lounges and upper level public spaces. It features a picture-in-picture clock face at the upper portion of the Time Tower's north and south facades, which is synched to a universal clock. The Time Tower is viewable from all points across the Great Hall.

LAWA has commissioned over 60 minutes of Foundation Content, consisting of two dramatic clock-strike experiences, a variety of content depicting the experience of time, and a unique architectural identity for the feature as a "Time Tower." The base of the Time Tower is programmed as an interactive media surface which reacts to gestural movements. The interactive treatment is also provided at the upper level access points to the elevator.

The TMO may offer a sponsor any or all of the following opportunities for brand identification: brand identity content on the clock face (picture-in-picture); brand identity across the upper display; and/or created, curated or other sponsored content which the sponsor may introduce or conclude with its brand identity (logo, name, and message). Brand identity may comprise up to 20% of any 60 minute period through the day (12 minutes per hour).

3.1.4 Destination Board



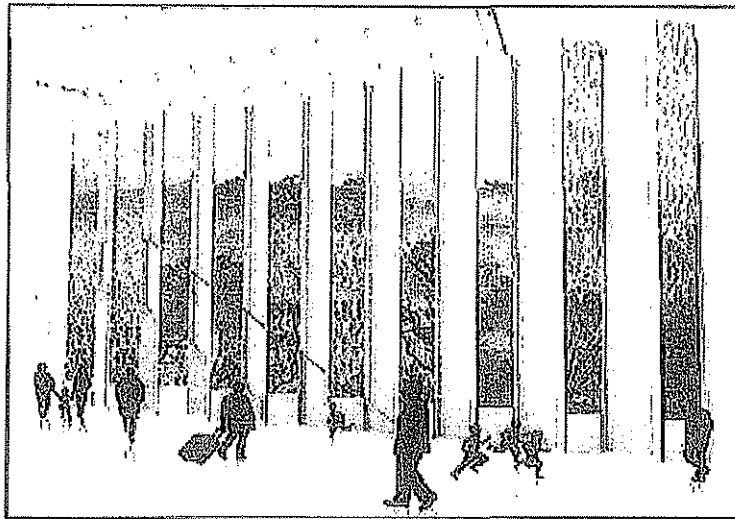
The Destination Board houses the most frequently viewed screen in the airport, the Flight Information Display (FID). Two display areas bordering each side of the FID present imagery of destination cities and data about the destinations. The FID is designed as a Picture-in-Picture within the larger 73' long display. A surrounding 'crest' of LED "sticks" support scrolling content to create a dramatic layered effect.

The Destination Board is located on the east side of the Great Hall, 48 ft. above the main concourse level, providing multiple vantage points across the Great Hall.

LAWA has commissioned a graphic treatment for the FID with mix of color palettes coordinated with imagery of destination cities on the side panels. The identity of the Destination Board is supported by cloud-based data feeds linked to the CDS, providing updated information about the various passenger destinations as well as engaging, entertaining facts. Atmospheric content using 3-D generative cloud formations complements this identity.

The TMO may offer a sponsor any or all of the following opportunities for brand identification: brand identity content, which may comprise up to 20% of any 60 minute period throughout the day (12 minutes per hour); and/or created, curated or other sponsored content which the sponsor may introduce or conclude with its brand identity (logo, name, and message).

3.1.5 North and South Concourse Portals



The North Concourse Portal and South Concourse Portal consist of ten columns of six stacked LCD monitors, forming a gallery of 28' tall media pylons.

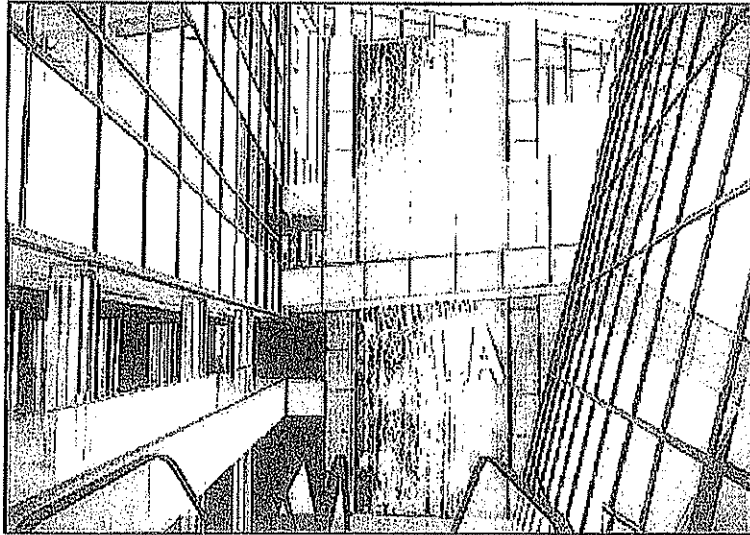
The Portals are outfitted with motion sensors to support interactive content, which reacts to the movement of passengers en route to the concourse departure gates. In addition, the Portals have a sound system.

The North and South Concourse Media Portals are located at the entry points to the North and South Concourses, respectively. All departing passengers will pass through the Portals en route to their departure gates creating a powerful brand engagement opportunity for a sponsor. The portals are also ideally suited to support the brand recognition of a naming rights partner for the Concourses.

LAWA has commissioned four interactive content experiences themed in relation to the destination places and cultures to which passengers are about to embark.

The TMO may offer a sponsor any or all of the following opportunities for brand identification: brand identity (name, logo, and image) on the first of the media columns, as an overlay to the interactive content fading in and out on a cycle timed to the passenger flow; and/or a "curatorial" description of the interactive work at the lower display of the first column. In addition, the TMO may allow a sponsor to "present" created, curated or other sponsored content, which presentation may be accompanied by usage of the sponsor's brand identity (logo, name, and message) at the beginning and/or conclusion of the presentation.

3.1.6 Welcome Wall



The Welcome Wall is an 85' tall by 35' wide feature with high resolution LED Displays. The feature will be viewed by approximately 6 million arriving passengers as they clear passport control and descend an escalator through the high vaulted south light well, en route to baggage claim. Data-triggered programming will support timed welcome messages in the language of the arriving passengers.

The Welcome Wall occupies the north wall of the south light well, spanning all five levels in height. In addition to being viewed by the vast majority of arriving passengers, it is also visible to those airline lounges surrounding the south light well, and to departing passengers as they cross in front of the Welcome Wall along the departure bridge to the Great Hall.

LAWA has commissioned several unique welcome experiences as part of the Foundation Content, in addition to several atmospheric effects including a series of media cascades, "living postcards" of LA and an "LA shoreline" welcome.

The TMO may offer a sponsor any or all of the following opportunities for brand identification: brand identity content, which may comprise up to 20% of the applicable passenger interaction time; permanent signage in areas approved by LAWA; and/or creative content which the brand may introduce with its identity.

3.1.7 North and South Concourses

The two Bradley West Concourses, North and South, are included in the Program. Both Concourses are accessed directly from the Great Hall.

Both Concourses provide an entitlement and engagement opportunity for sponsors, offering access to all departing passengers, and visual access to all arriving passengers. The design of the Concourses consists of a dramatic sequence of wave-inspired ceilings, which break up the extensive space into a series of "public rooms".

This unique naming opportunity provides a variety of brand identity opportunities from the potential use of the Concourse media portals; the use of the Gate Information Displays (described below); the installation of the media brands along the faces of the arrival bridges (of which there are six in the North Concourse and nine in the South Concourse), as well as appropriately designed signage meeting the Design Guidelines and LAWA approval.

Similarly, brand activation may involve an array of services, amenities, asset improvements, entertainment, experiences or other forms of passenger enhancements, as well as contributions to the content inventory, or enhancements to the passenger experience proposed by the TMO, provided such enhancements are approved by LAWA.

The TMO may elect to offer the North and South Concourses as a single entitlement opportunity or as two individual opportunities.

3.1.8 Exclusions

The Great Hall within BW and the Ticketing Hall in TBIT are specifically excluded from being entitled within the sponsorship program. As noted, media assets within the Great Hall are offered as entitled assets.

3.1.9 Foundation Content

The iconic media features identified above, and the other digital media that the TMO elects to include in the Program, will require significant non-commercial programming designed to enhance the passenger experience and support the identity of the features. This content may, however, serve as the basis for a sponsorship of a feature, provided the sponsor curates or creates such content. LAWA has produced an extensive inventory of such Foundation Content to provide a specific identity for each of the media features, and to more generally enhance the passenger experience. Use of the Foundation Content will be licensed to the TMO under the Agreement. Subject to specific design and content guidelines that will be specified in the Agreement, the Foundation Content can also be included in the Program.

3.2 Airport-Wide Sponsorship Inventory

The Program includes eight airport-wide assets, and the opportunity for the TMO to recommend additional assets or enhancements to the passenger experience which meet LAWA's identified passenger wants or needs. The specific design of all such installations shall be subject to LAWA approval.

3.2.1 Loading Bridges

All passenger loading bridges (also referred to as Jetways™) owned by LAWA are included in the Program. The TMO may utilize the exterior and interior of the loading bridges, subject to LAWA's operational requirements.

3.2.2 Device Recharge Stations

"Recharge Stations" (installations designed to allow passengers to recharge their mobile phones, tablets, laptop computers, and other devices) are included in the Program.

3.2.3 Lounges

To the extent the TMO and LAWA can identify mutually agreeable locations, operating parameters, and other extenuating factors for non-fee lounge areas open to the general public on a first-come, first-serve basis, lounge areas are included in the Program. These lounge areas, which are differentiated from normal passenger pre-boarding hold areas by an increased level of amenity and service, must be developed and operated by the TMO. Subject to LAWA approval, the TMO may enter sub-agreements with a sponsor and/or third parties to perform operational tasks.

3.2.4 Children's Play Zones

To the extent that the TMO and LAWA can identify mutually agreeable locations, operating parameters, and other extenuating factors (children's play areas and similar spaces are included in the Program.

3.2.5 Work Zones/Media Bars

Workspace zones with furnishings, work surfaces with data and power receptacles, chair mounted tablets and other amenities such as media bars for personal electronic devices are included in the Program.

3.2.6 Entertainment Zones

Television, smart TV, game screens and consoles, music listening consoles, streaming video stations, and other entertainment media to enhance the passenger experience in hold areas may also be sponsored and are included in the Program.

3.2.7 Re-Compose Areas

Areas immediately beyond security which the TMO and LAWA can identify and which are outside the TSA zone, may be provided as re-compose areas outfitted with ergonomic furniture, shelves, and other amenities which allow passengers to comfortably replace clothing, organize carry-on luggage, and assist children.

3.2.8 Pet Care Zones

To the extent that the TMO and LAWA can identify mutually agreeable locations, operating parameters, and other extenuating factors exterior pet care areas and similar spaces are included in the Program.

3.2.10 Meet and Greet Areas

Several of the LAX Terminals have significant "meet and greet" areas on the Arrivals level. The interiors of these areas, where present, are included in the Program.

3.2.11 Parking Structures

The interiors of the parking structures at LAX are also included in the Program. Unless explicit permission is granted, the exterior areas of all parking structures are excluded from the Program.

3.2.12 Airport-Wide Exclusions

The naming of any entire terminal within LAX is specifically excluded from the Program.

4. Sponsorship Guidelines

In addition to the substantial set of rights and assets, the Program also has specific conditions and obligations under which sponsors must operate. To the extent desirable, the full list of such conditions and obligations will be defined in the Agreement; the discussion in this section highlights key points.

All sponsor brand exposure within LAX shall be managed and limited to avoid over-commercialization of the public environment. The core limitation shall be a requirement that, with respect to the TBIT/BW assets, corporate brand identity and commercial content (as defined below) shall be limited to no more than twenty percent (20%) of the total time within a defined content cycle (e.g., if a content cycle is 60 minutes, commercial content may be displayed for no more than 12 minutes). There will also be guidelines controlling the duration of any single commercial "pod" within the overall time limit.

As a general rule, the remainder of the time within a given content cycle will be devoted to non-commercial content, which enhances the passenger experience.

4.1 Commercial Content and Content Integration

The Agreement will define "Commercial Content" as any content that includes commercial brand identification, and will govern the deployment of such content within LAX. In addition, even within the range of permissible Commercial Content deployments, LAWA will favor content where a sponsor's commercial messaging is integrated into the tone, look-and-feel, and other aspects of the surrounding non-commercial content. In general, sponsors will not be permitted to display Commercial Content that has no contextual integration, such as a stand-alone 30-second television advertisement. The Agreement will include content integration requirements.

4.2 Creative Guidelines

Given the unique nature of many of the media surfaces included in the Program, sponsors will be required to follow detailed guidelines with respect to the creative development of their Commercial Content. In general, these guidelines will require that content displayed under the Program be developed specifically for LAX's unique media; "repurposed" content or content transferred from other environments will generally be prohibited. LAWA will include detailed guidelines and creative specifications as part of the Agreement.

4.3 Brand Activations and Passenger Experience Enhancements

Each LAX Partner will be required to activate its brand(s) within LAX. The TMO shall have broad discretion to work with each sponsor to identify mutually agreeable brand activations, which the TMO shall share with LAWA through a regular planning process to be specified in the Agreement. From LAWA's perspective, the central purpose of these brand activations is to enhance the LAX passenger experience. As such, each brand activation, will be required to address, in a substantial and long-term manner, a specific passenger need or want.

4.4 Self-Sufficient Operations

All on-site brand activations at LAX must be operationally self-sufficient, requiring no involvement by LAWA personnel, including security and maintenance personnel. The TMO and/or the sponsor in question must provide for all operating requirements. Nevertheless, all operations must conform to established LAWA rules, regulations, and policies.

4.5 Media Asset Operations and Maintenance

The TMO will be responsible for the operation and maintenance of all sponsorship assets; the advertising assets that the TMO procures, installs and integrates within overall system; all control rooms and back-end support/racked equipment; and the Content Delivery System. The TMO will also be responsible for maintaining a VPN and ISP that is separate from the LAWA network. The TMO will be responsible for the ingestion and integration of all new content, and for the maintenance of the content schedule.

TABLE 1: Sponsorship Categories

<u>Priority Categories</u>	<u>Authorized Categories</u>	<u>Excluded Categories</u>
<ul style="list-style-type: none"> ◦ Aerospace ◦ Alcoholic Spirits* ◦ Athletic Equipment & Apparel ◦ Automobile ◦ Beer* ◦ Commercial Banking* ◦ Consumer Electronics ◦ Credit / Debit Cards* ◦ Energy ◦ Film / Video Programming ◦ Food Products* ◦ Furniture ◦ Health Insurance ◦ Life Insurance ◦ Music ◦ Personal Care Products ◦ Personal Computing ◦ Property Insurance ◦ Retail Banking ◦ Soft Drink* ◦ Television Programming ◦ Timekeeping ◦ Video / Entertainment Gaming ◦ Wealth Management ◦ Wine* ◦ Wireless Communications 	<ul style="list-style-type: none"> ◦ Aircraft ◦ Casino ◦ Hotel ◦ Lottery ◦ Over-the-Counter Pharmaceuticals ◦ Prescription Pharmaceuticals ◦ Professional Services ◦ Restaurant Chain ◦ Travel Agency / Reservation Service 	<ul style="list-style-type: none"> ◦ Adult-Oriented Materials ◦ Airline ◦ Car Rental ◦ Express Shipping ◦ Firearms ◦ Fireworks ◦ Off-Airport Parking ◦ Political Parties / Candidates / Causes ◦ Social Advocacy Groups ◦ Tobacco

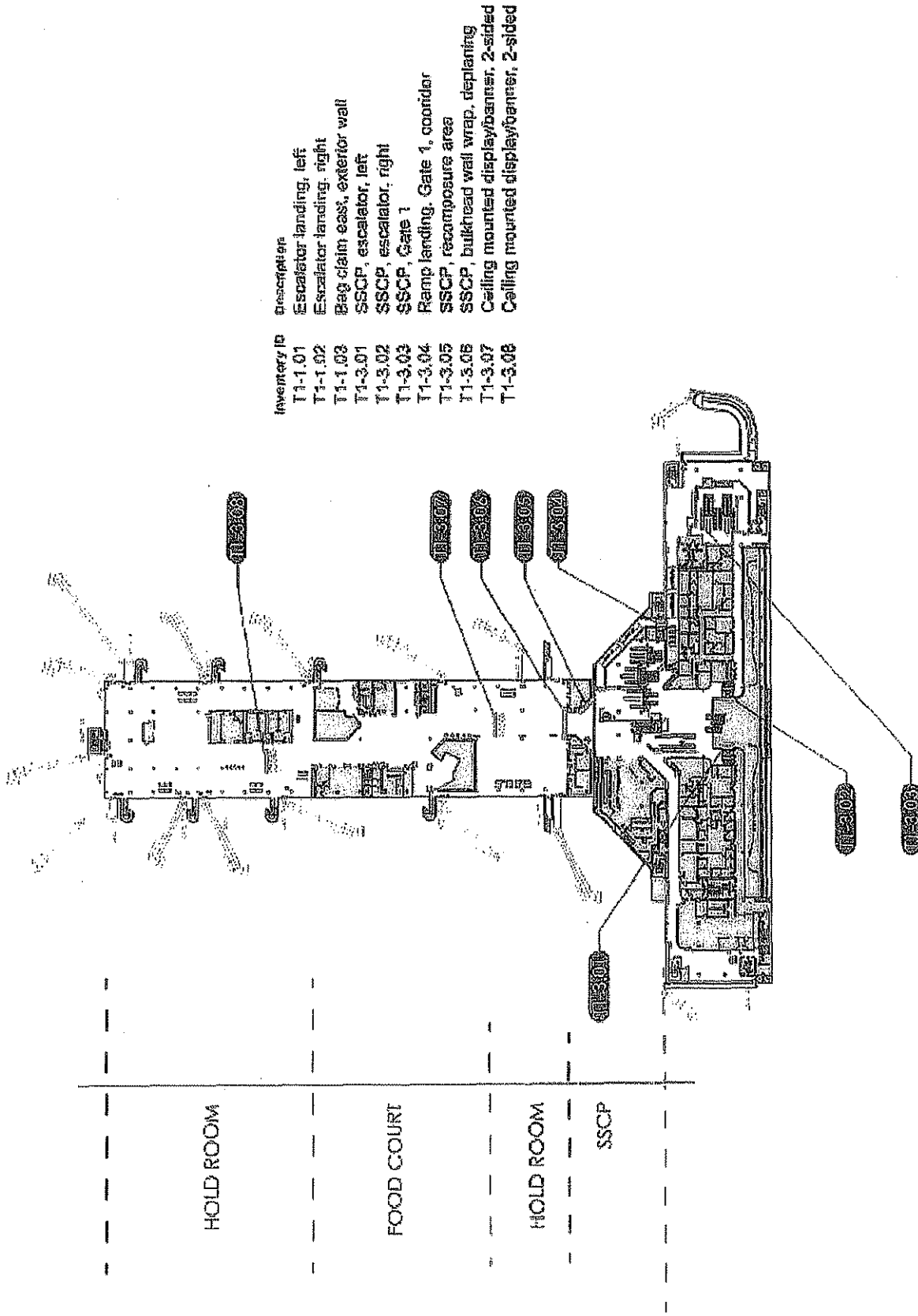
* Exclusive or semi-exclusive rights in this category will require mutual agreement with third-parties and such rights are subject to and subordinate to existing LAWA Agreements.

EXHIBIT A-2
OTHER FACILITIES
INITIAL ADVERTISING INVENTORY

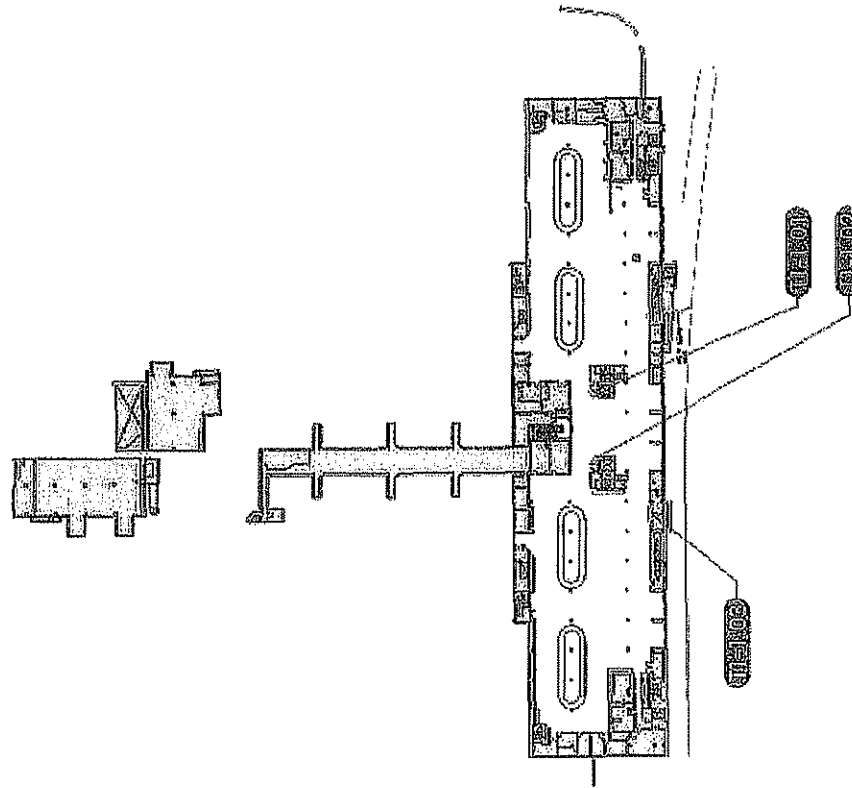
INITIAL ADVERTISING INVENTORY –
OTHER FACILITIES

EXHIBIT A-2

Terminal 1 – Concourse Level: Initial Advertising Inventory

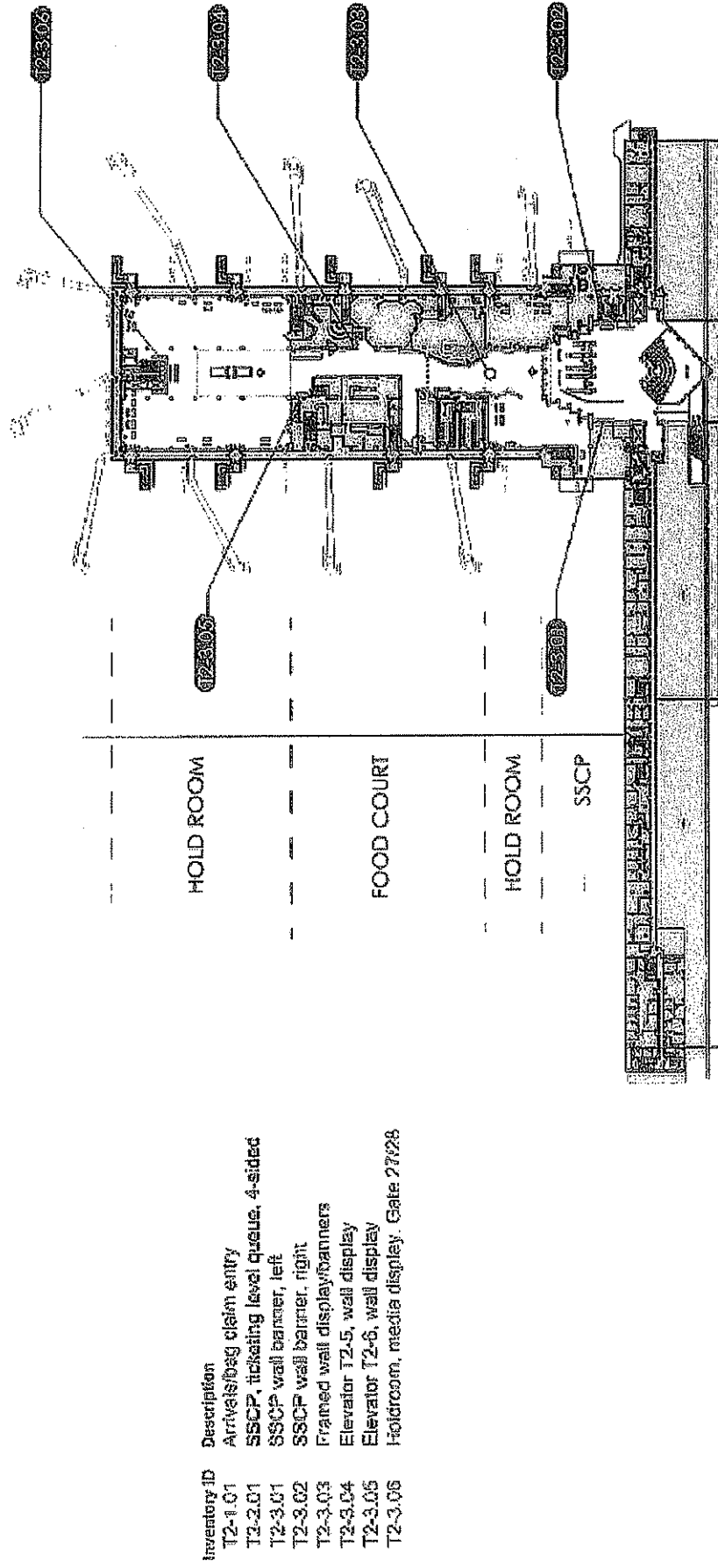


Terminal 1 – Arrivals Level: Initial Advertising Inventory



Inventory ID	Description
T1-1.01	Escalator landing, left
T1-1.02	Escalator landing, right
T1-1.03	Bag claim east, exterior wall
T1-3.01	SSCP, escalator, left
T1-3.02	SSCP, escalator, right
T1-3.03	SSCP, Gate 1
T1-3.04	Ramp landing, Gate 1, corridor
T1-3.05	SSCP, recomposure area
T1-3.06	SSCP, bulkhead wall wrap, deplaning
T1-3.07	Ceiling mounted display/banner, 2-sided
T1-3.08	Ceiling mounted display/banner, 2-sided

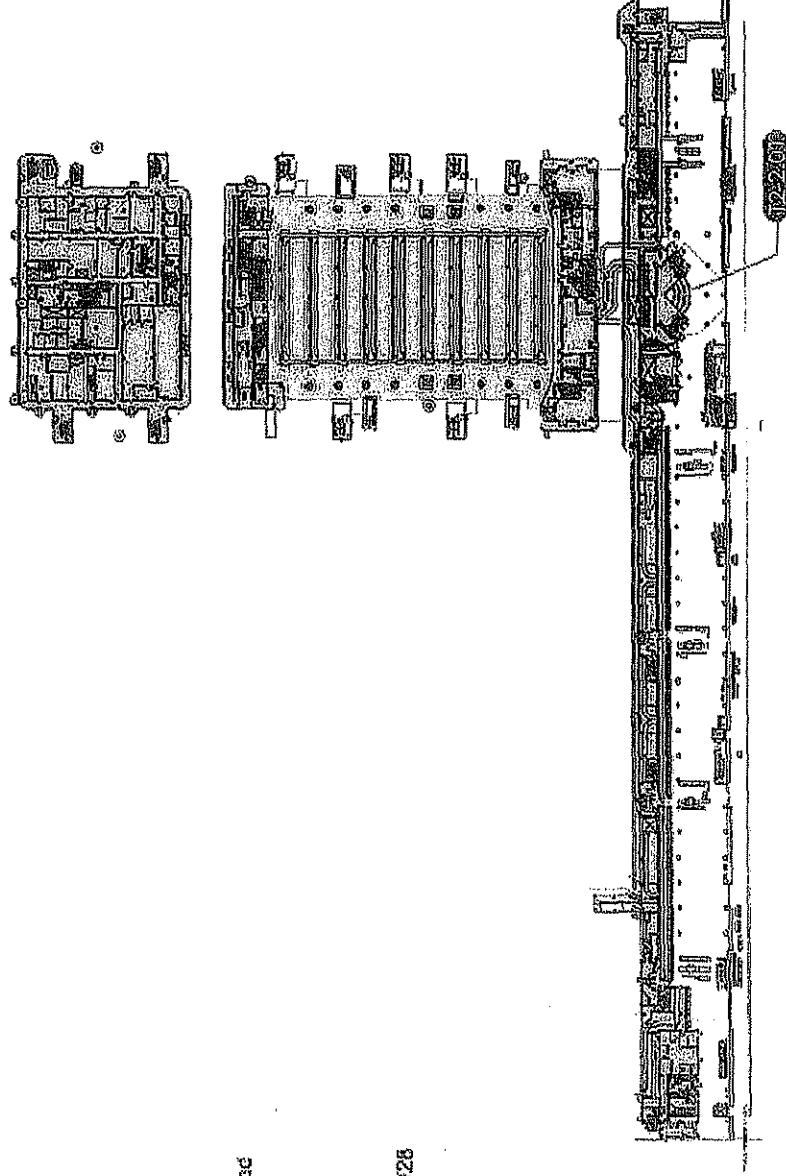
Terminal 2 – Concourse Level: Initial Advertising Inventory



Inventory ID	Description
T2-1.01	Arrivals/bag claim entry
T2-2.01	SSCP, ticketing level queue, 4-sided
T2-3.01	SSCP wall banner, left
T2-3.02	SSCP wall banner, right
T2-3.03	Framed wall display/banners
T2-3.04	Elevator T2-5, wall display
T2-3.05	Elevator T2-6, wall display
T2-3.06	Holdroom, media display, Gate 27/28

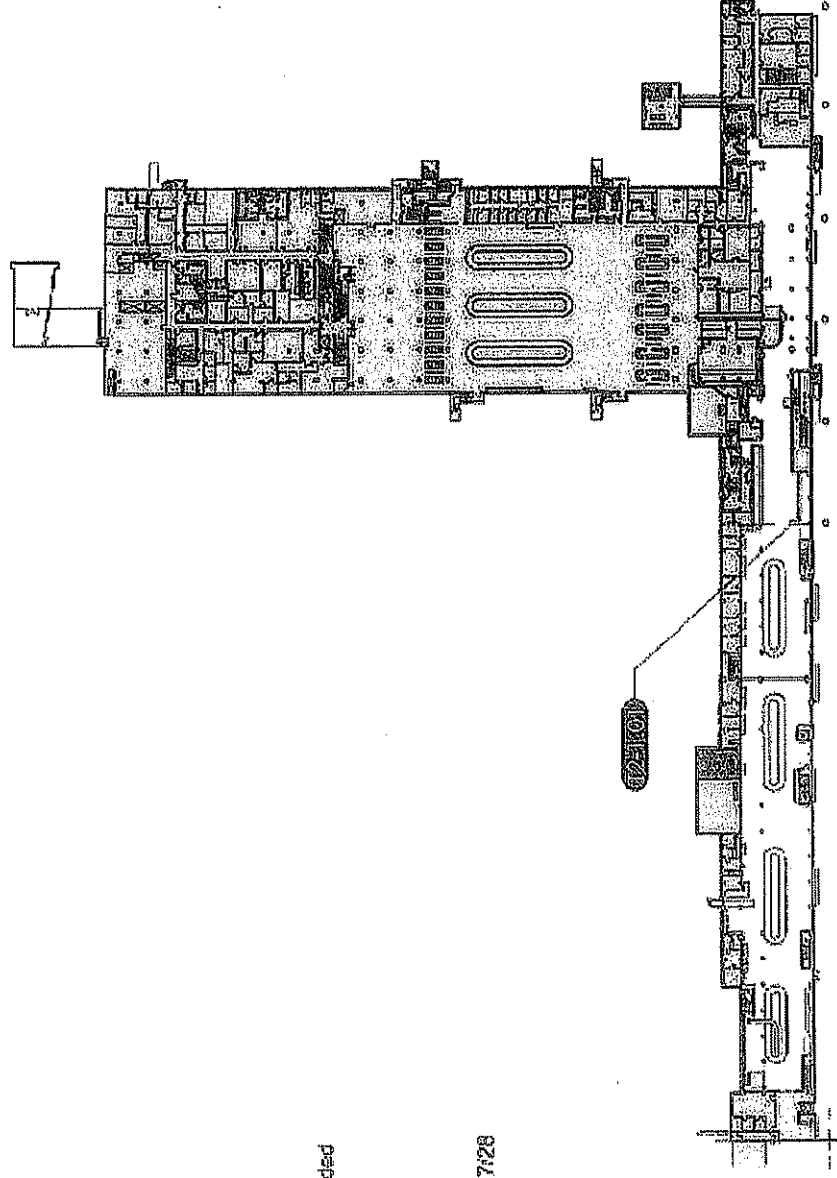
Terminal 2 – Ticketing Level: Initial Advertising Inventory

Inventory ID	Description
T2-1.01	Arrivals/bag claim entry
T2-2.01	SSCP, ticketing level queue, 4-sided
T2-3.01	SSCP wall banner, left
T2-3.02	SSCP wall banner, right
T2-3.03	Framed wall display/banners
T2-3.04	Elevator T2-6, wall display
T2-3.05	Elevator T2-8, wall display
T2-3.06	Holdroom, media display, Gate 27/28

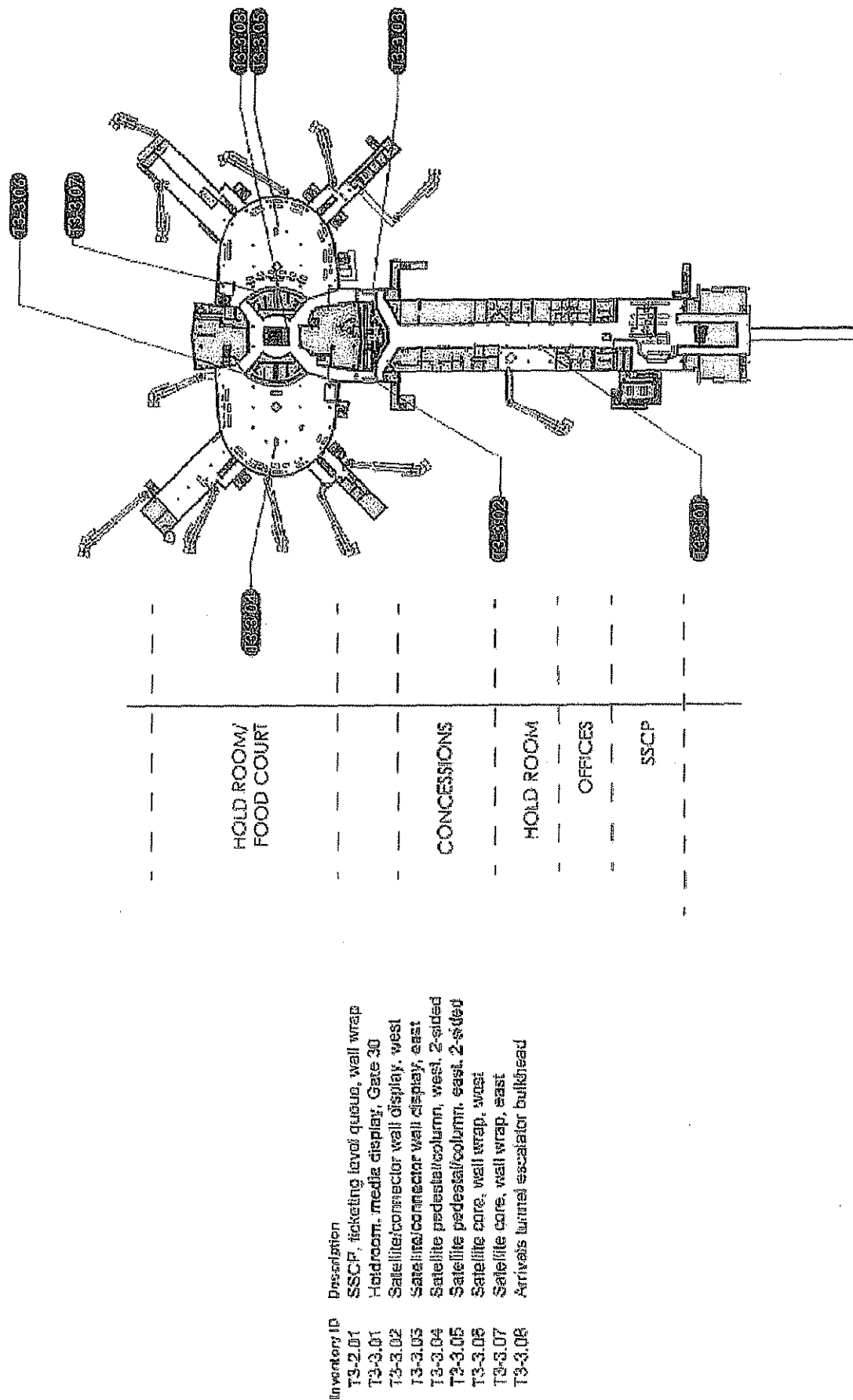


Terminal 2 – Arrivals Level: Initial Advertising Inventory

Inventory ID	Description
T2-1.01	Arrivals/bag claim entry
T2-2.01	SSCP, ticketing level queue, 4-sided
T2-3.01	SSCP wall banner, left
T2-3.02	SSCP wall banner, right
T2-3.03	Framed wall display/banners
T2-3.04	Elevator T2-5, wall display
T2-3.05	Elevator T2-6, wall display
T2-3.06	Holdroom, media display. Gate 27/28

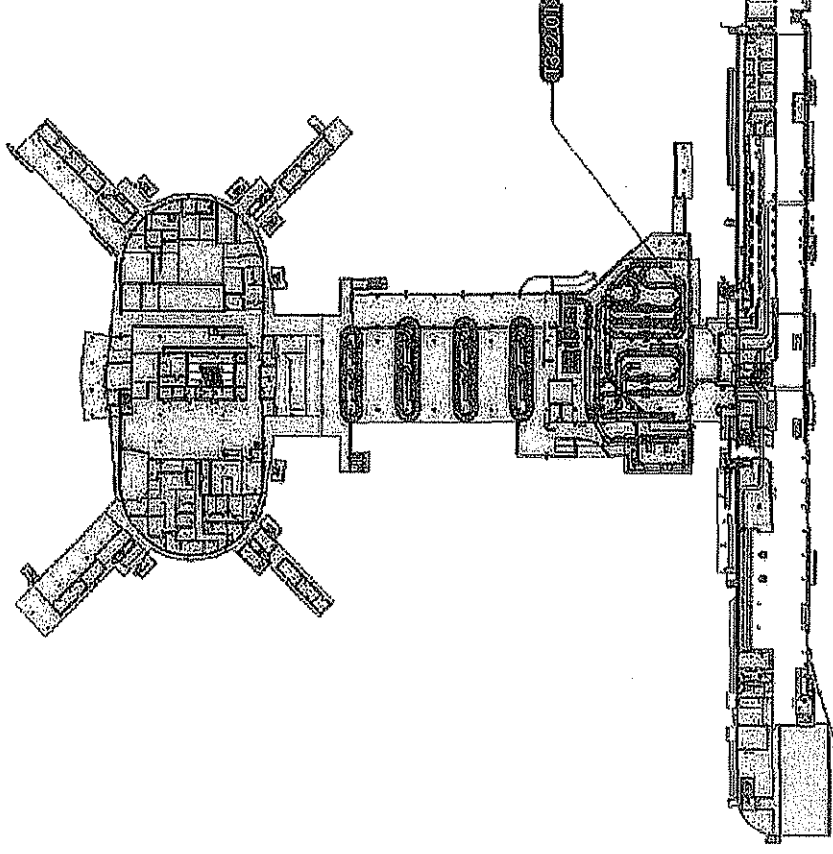


Terminal 3 – Concourse Level: Initial Advertising Inventory

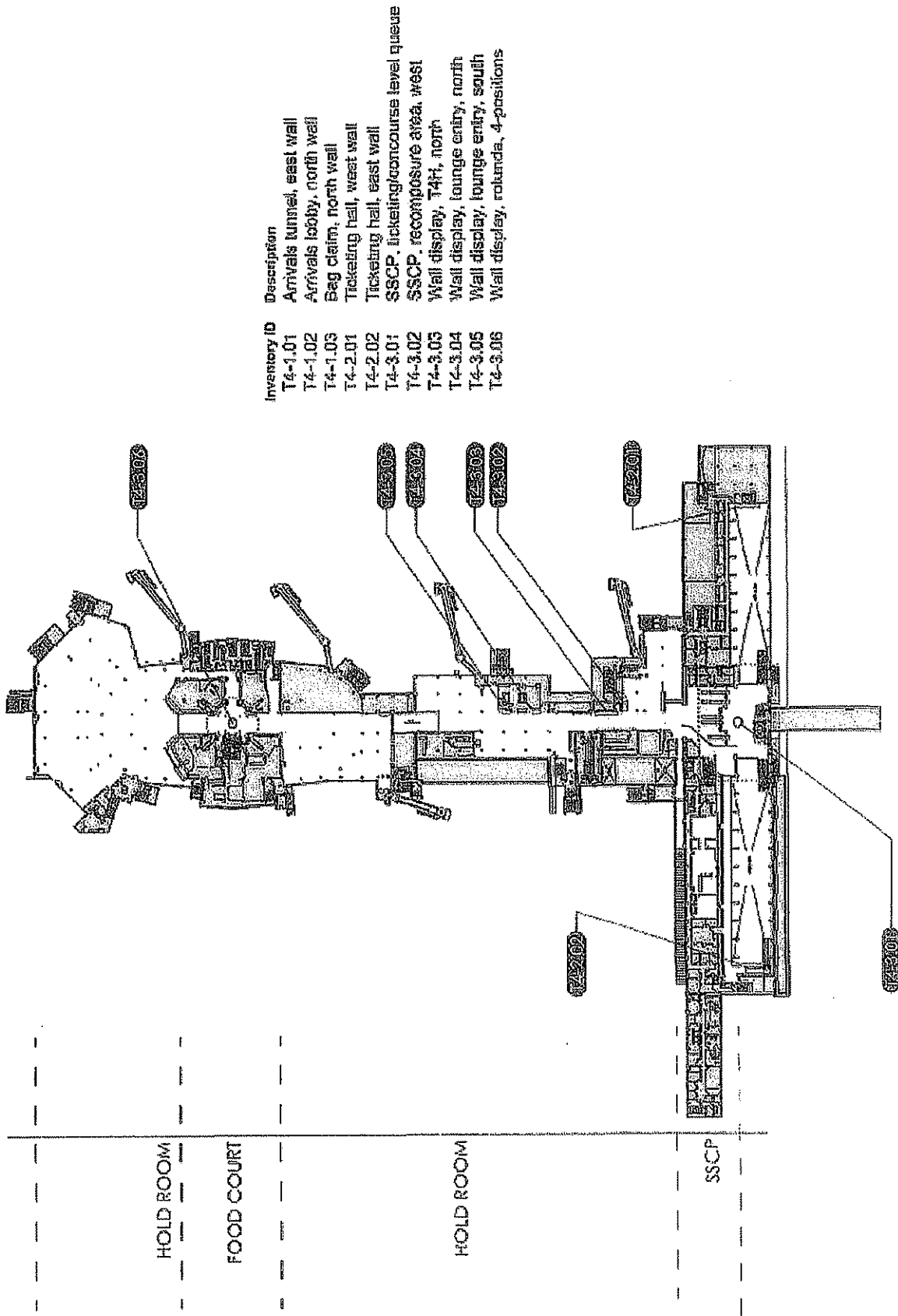


Terminal 3 – Ticketing Level: Initial Advertising Inventory

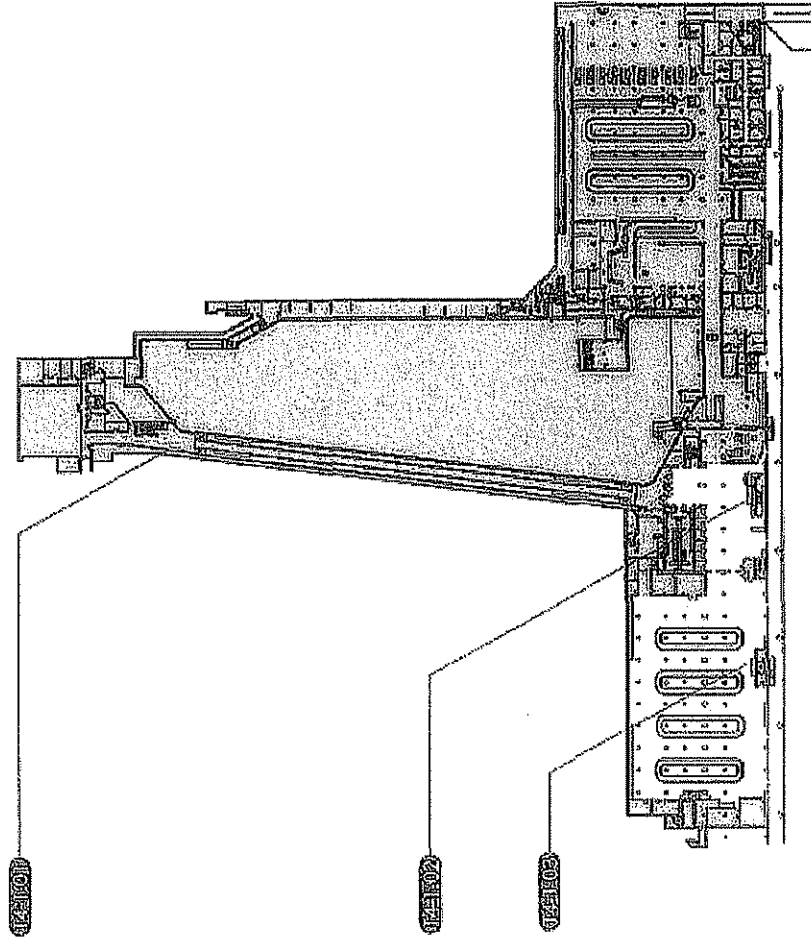
Inventory ID	Description
T3-2.01	SSCP, ticketing level queue, wall wrap
T3-3.01	Holdroom, media display, Gate 30
T3-3.02	Satellite/connector wall display, west
T3-3.03	Satellite/connector wall display, east
T3-3.04	Satellite pedestal/column, west, 2-sided
T3-3.05	Satellite pedestal/column, east, 2-sided
T3-3.06	Satellite core, wall wrap, west
T3-3.07	Satellite core, wall wrap, east
T3-3.08	Arrivals tunnel escalator bulkhead



Terminal 4 – Concourse Level: Initial Advertising Inventory

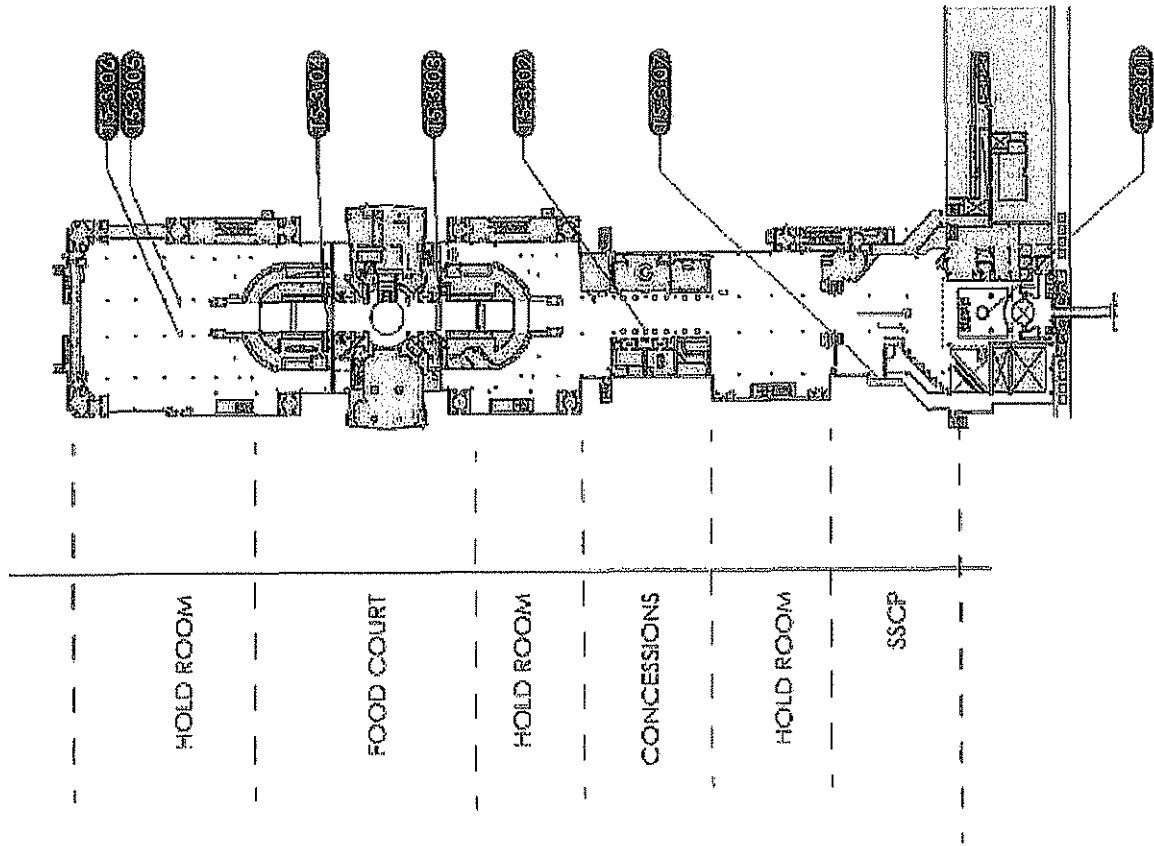


Terminal 4 – Arrivals Level: Initial Advertising Inventory



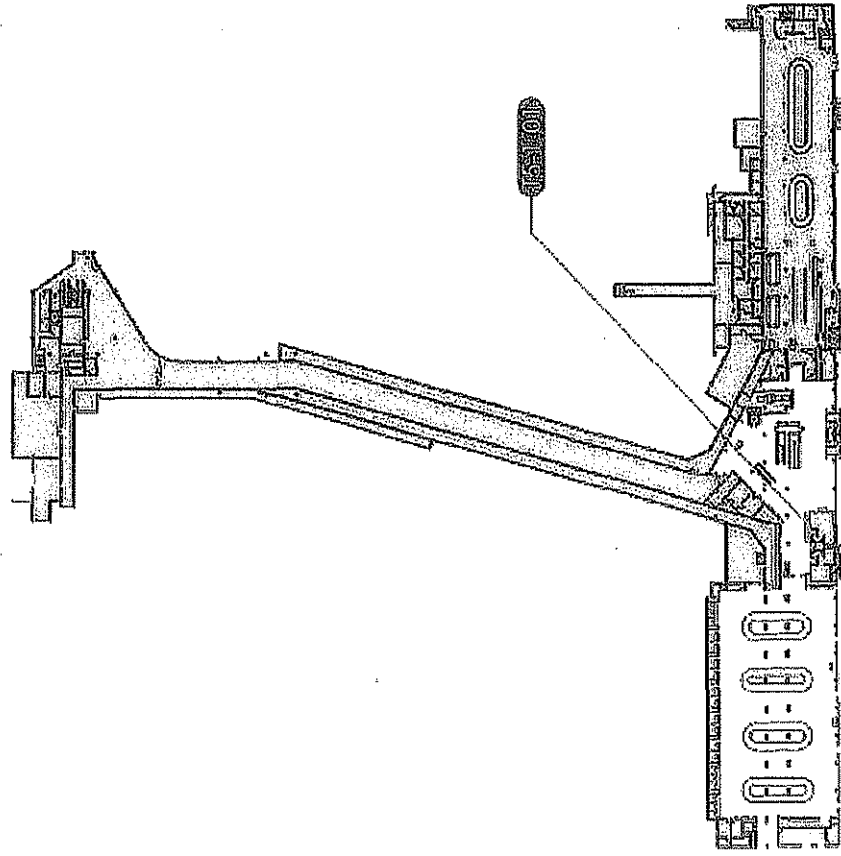
Inventory ID	Description
T4-1.01	Arrivals tunnel, east wall
T4-1.02	Arrivals lobby, north wall
T4-1.03	Bag claim, north wall
T4-2.01	Ticketing hall, west wall
T4-2.02	Ticketing hall, east wall
T4-3.01	SSCP, ticketing/concourse level queue
T4-3.02	SSCP, recomposure area, west
T4-3.03	Wall display, T4H, north
T4-3.04	Wall display, lounge entry, north
T4-3.05	Wall display, lounge entry, south
T4-3.06	Wall display, rounda, 4-positions

Terminal 5 – Concourse Level: Initial Advertising Inventory



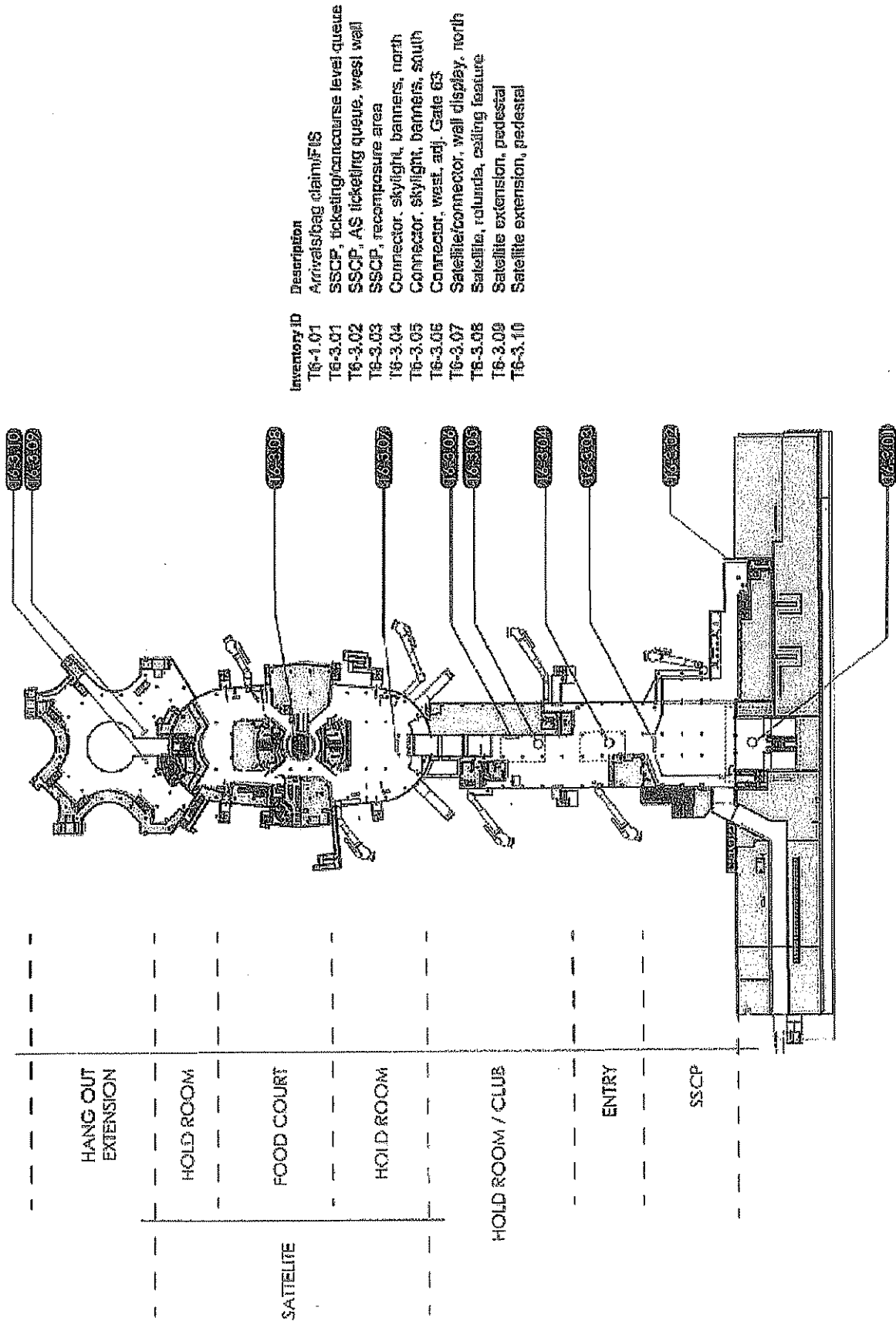
Inventory ID	Description
T5-1.01	Arrivals level, opposite tunnel
T5-3.01	SSCP, ticketing/concourse level queue
T5-3.02	Connector, restrooms, pedestal/column
T5-3.03	Satellite mezzanine, wall wrap, north
T5-3.04	Satellite mezzanine, wall wrap, south
T5-3.05	Satellite extension, pedestal/column
T5-3.06	Satellite extension, pedestal/column
T5-3.07	Ticketing level, exit passage, wall display

Terminal 5 – Arrivals Level: Initial Advertising Inventory

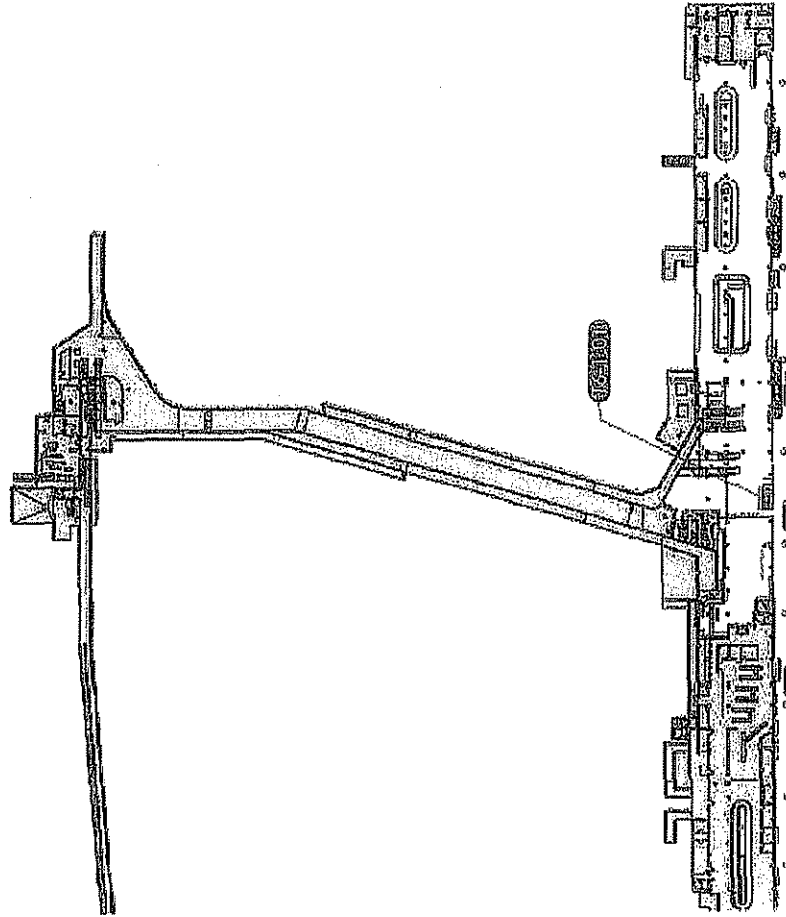


Inventory ID	Description
T5-1.01	Arrivals level, opposite tunnel
T5-3.01	SSCP, ticketing/concourse level queue
T5-3.02	Connector, restrooms, pedestal/column
T5-3.03	Satellite mezzanine, wall wrap, north
T5-3.04	Satellite mezzanine, wall wrap, south
T5-3.05	Satellite extension, pedestal/column
T5-3.06	Satellite extension, pedestal/column
T5-3.07	Ticketing level, exit passage, wall display

Terminal 6 – Concourse Level: Initial Advertising Inventory

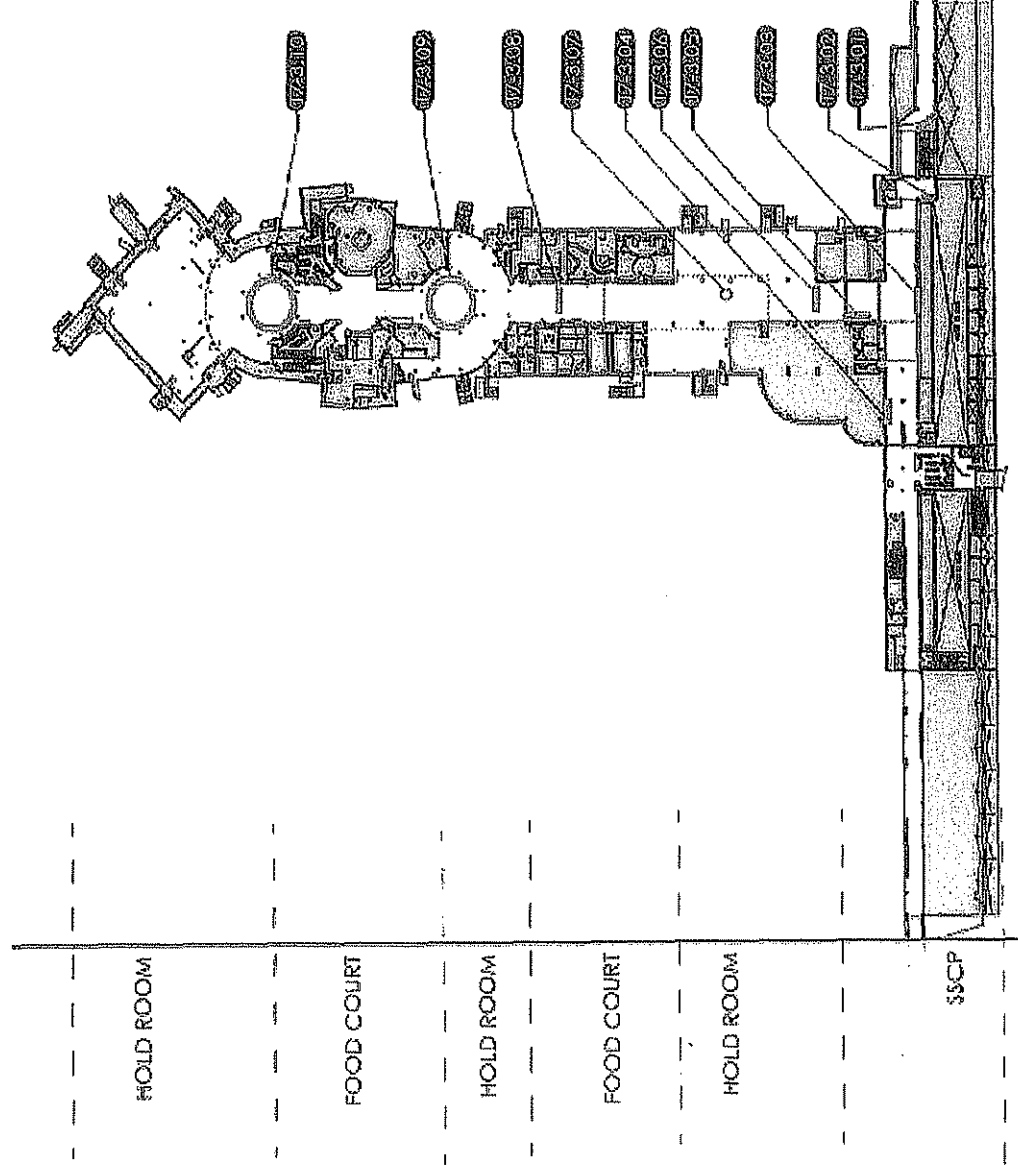


Terminal 6 – Arrivals Level: Initial Advertising Inventory



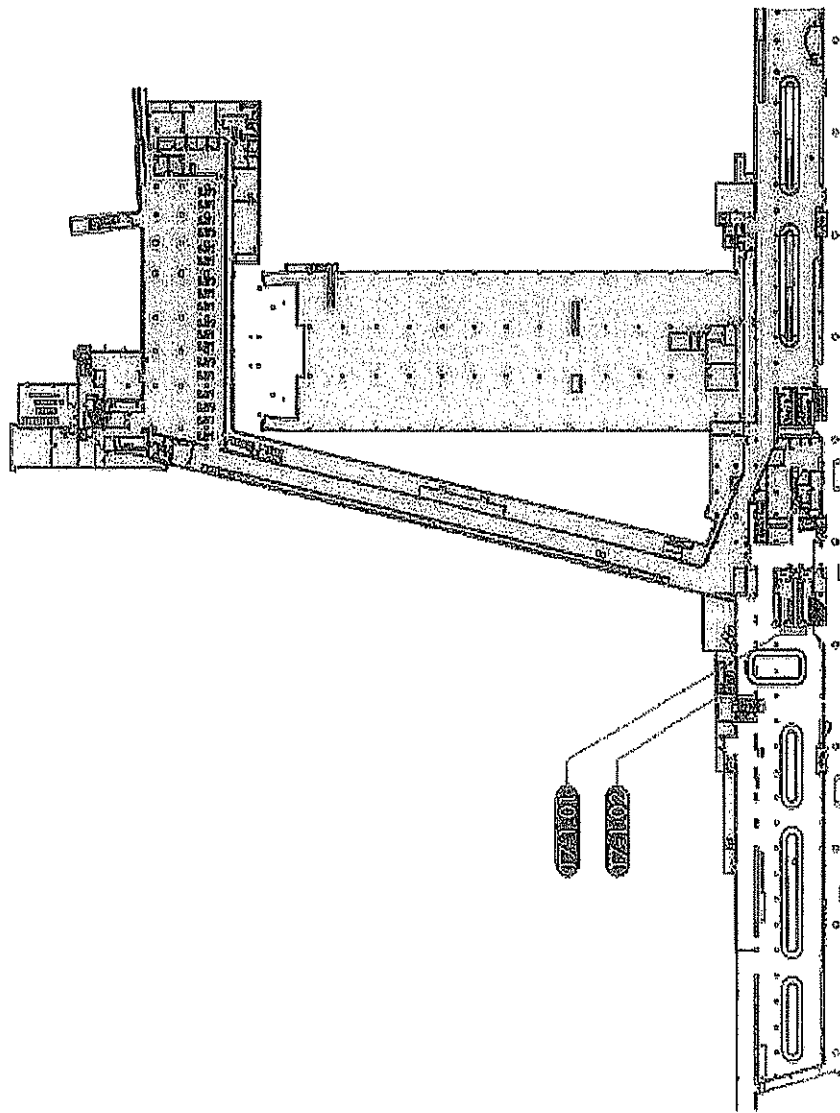
Inventory ID	Description
T6-1.01	Arrivals/bag claim/FIS
T6-3.01	SSCP, ticketing/concourse level queue
T6-3.02	SSCP, A2 ticketing queue, west wall
T6-3.03	SSCP, recompose area
T6-3.04	Connector, skylight, banners, north
T6-3.05	Connector, skylight, banners, south
T6-3.06	Connector, west, adj. Gate B3
T6-3.07	Satellite/connector, wall display, north
T6-3.08	Satellite, rotunda, ceiling feature
T6-3.09	Satellite extension, pedestal
T6-3.10	Satellite extension, pedestal

Terminal 7 - Concourse Level: Initial Advertising Inventory



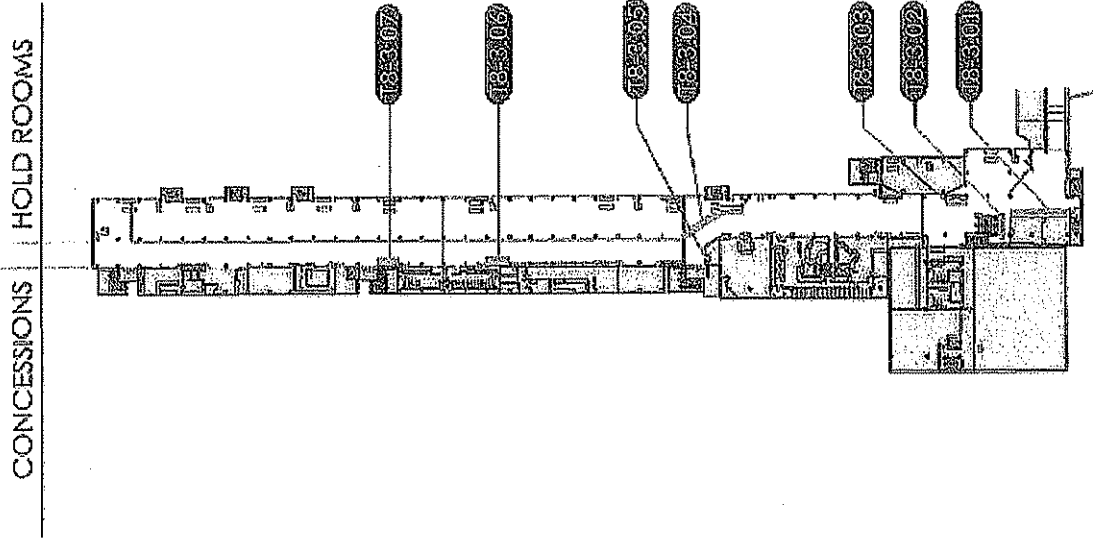
Inventory ID	Description
T7-1.01	Arrivals level, bag claim, west wall
T7-1.02	Arrivals level, escalator landing
T7-3.01	T7/T6 connector, east, wall display
T7-3.02	SSCP west, escalator landing, wall display
T7-3.03	Connector north, axial view, pedestal/floor
T7-3.04	SSCP east, wall display
T7-3.05	Connector ramp, wall display, lounge
T7-3.06	Connector skylight, wall wrap, north
T7-3.07	Connector skylight, banner, overhead
T7-3.08	Connector skylight, wall wrap, south
T7-3.09	Satellite rotunda, ceiling feature, north
T7-3.10	Satellite rotunda, ceiling feature, north

Terminal 7 – Arrivals Level: Initial Advertising Inventory



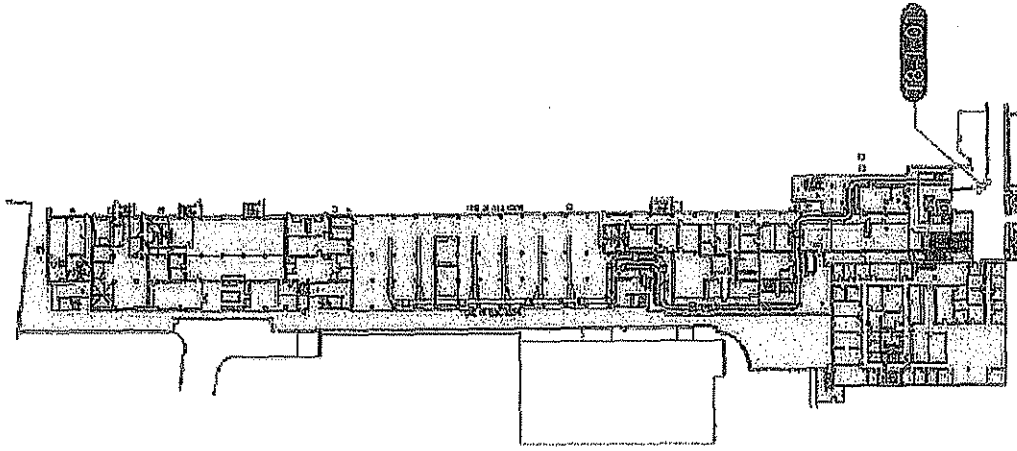
Inventory ID	Description
T7-1.01	Arrivals level, bag claim, west wall
T7-1.02	Arrivals level, escalator landing
T7-3.01	T7/T6 connector, east, wall display
T7-3.02	SSCP west, escalator landing, wall display
T7-3.03	Connector north, axial view, pedestal floor
T7-3.04	SSCP east, wall display
T7-3.05	Connector ramp, wall display, lounge
T7-3.06	Connector skylight, wall wrap, north
T7-3.07	Connector skylight, barrier, overhead
T7-3.08	Connector skylight, wall wrap, south
T7-3.09	Satellite rotunda, ceiling feature, north
T7-3.10	Satellite rotunda, ceiling feature, north

Terminal 8 – Concourse Level: Initial Advertising Inventory



Inventory ID	Description
T8-1.01	Arrivals level, escalator landing, east
T8-3.01	T8/T7 connector, east, wall display
T8-3.02	Arrivals tunnel escalators, bulkhead
T8-3.03	Gate 80, wall display
T8-3.04	Gate 82, screen wall wrap
T8-3.05	Gate 82, concourse transition, wall display
T8-3.06	Gate 84, east wall display
T8-3.07	Gate 85, east wall display

Terminal 8 – Arrivals Level: Initial Advertising Inventory



Inventory ID	Description
T8-1.01	Arrivals level, escalator landing, east
T8-3.01	T8/T7 connector, east, wall display
T8-3.02	Arrivals tunnel escalators, bulkhead
T8-3.03	Gate 80, wall display
T8-3.04	Gate 82, screen wall wrap
T8-3.05	Gate 82, concourse transition, wall display
T8-3.06	Gate 84, east wall display
T8-3.07	Gate 85, east wall display

EXHIBIT B

RESERVED

RESERVED

EXHIBIT B

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM

LOS ANGELES INTERNATIONAL AIRPORT TERMINAL MEDIA OPERATOR CONCESSION AGREEMENT

This Commencement Date Memorandum (this "Memorandum") is dated as of _____, 201____, in connection with the above-referenced Los Angeles International Airport Terminal Media Operator Concession Agreement (the "Agreement") between _____ ("TMO") and THE CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS, a municipal corporation ("City"), acting by order of and through its Board of Airport Commissioners ("Board").

City and TMO hereby confirm that the commencement date of the Term for the Display Locations and/or Licensed Area described below shall be as follows:

Licensed Area	Square Feet	TBIT or Other Facilities Commencement Date

The Expiration Date is as set forth in Section 2.2 of the Agreement.

APPROVED AS TO FORM: Michael N. Feuer, City Attorney Date: _____ By: _____ Deputy/Assistant City Attorney	CITY OF LOS ANGELES By: _____ Executive Director Department of Airports
ATTEST: By: _____ (Signature) _____ Print Name and Title	By: _____ (Signature) _____ Print Name and Title

EXHIBIT D
FORM OF GUARANTY AGREEMENT

**GUARANTY AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
JCDECAUX NORTH AMERICA, INC.
WITH RESPECT TO THE TERMINAL MEDIA OPERATOR AGREEMENT
FOR
LOS ANGELES INTERNATIONAL AIRPORT**

This **GUARANTY AGREEMENT** ("Guaranty") is made and entered into as of _____, 2014, in Los Angeles, California, by and between **THE CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS**, a municipal corporation ("City" or "LAWA"), acting by order of and through its Board of Airport Commissioners ("Board"), and **JCDECAUX NORTH AMERICA, INC.**, a Delaware corporation ("Guarantor").

The parties hereto, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, including the covenants and conditions hereinafter contained to be kept and performed, **DO HEREBY AGREE AS FOLLOWS:**

1. Guarantor unconditionally guaranties to LAWA performance, including but not limited to the prompt payment when due of the Fees, additional Fees and all other charges payable by JCDecaux Airport, Inc., a Delaware corporation ("TMO"), under the Los Angeles International Airport Terminal Media Operator Agreement, dated as of _____, 2014, by and between City of Los Angeles Department of Airports and TMO ("TMO Agreement"), and full and faithful performance of the other covenants (including, without limitation, the indemnities contained in the TMO Agreement); and Guarantor unconditionally covenants to LAWA that if (a) default or breach shall at any time be made by TMO in the covenants to pay Fees and additional Fees or any other charges payable under the TMO Agreement or in the performance of any of the other covenants and (b) notice of any such default or breach shall have been given by LAWA to TMO and TMO shall not have cured such default or breach after the expiration of applicable notice and grace periods, if any, provided for in the TMO Agreement (except that the foregoing clause (b) shall be inapplicable if TMO shall be bankrupt or insolvent), then Guarantor shall well and truly perform (or cause to be performed) the covenants, and pay (or cause to be paid) said Fees, additional Fees or other charges or arrears thereof that may remain due thereon to LAWA, and also all damages that may arise in consequence of the non-performance of the covenants, or any of them. Guarantor shall pay to LAWA, within ten (10) business days after written notice, all expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by LAWA in connection with the enforcement or protection of LAWA's rights hereunder or under the TMO Agreement. This Guaranty is a guaranty including but not limited to payment, not collection.

2. The liability of Guarantor hereunder shall not be impaired, abated, deferred, diminished, modified, released, terminated or discharged, in whole or in part, or otherwise affected, by any event, condition, occurrence, circumstance, proceeding, action or failure to act, with or without notice to, or the knowledge or consent of, Guarantor, including, without limitation:

(a) any amendment, modification or extension of the TMO Agreement or any covenant;

(b) any extension of time for performance, whether in whole or in part, of any covenant given prior to or after default under the TMO Agreement;

(c) any exchange, surrender or release, in whole or in part, of any security which may be held by LAWA at any time for or under the TMO Agreement;

(d) any waiver of or assertion or enforcement or failure or refusal to assert or enforce, in whole or in part, any covenant, claim, cause of action, right or remedy which LAWA may, at any time, have under the TMO Agreement or with respect to any guaranty or any security which may be held by LAWA at any time for or under the TMO Agreement or with respect to TMO;

(e) any act or thing or omission or delay to do any act or thing which (i) may in any manner or to any extent vary the risk of Guarantor or (ii) would otherwise operate as a discharge of Guarantor as a matter of law;

(f) the release of any other guarantor from liability for the performance or observance of any covenant, whether by operation of law or otherwise;

(g) LAWA's consent to any assignment or subletting or the assignment or successive assignments of the TMO Agreement by TMO, or any sublicense of all or any portion of the premises licensed under the TMO Agreement by TMO;

(h) the failure to give Guarantor any notice whatsoever, other than any notice that LAWA is required to give pursuant to this Guaranty and pursuant to the TMO Agreement;

(i) any right, power or privilege that LAWA may now or hereafter have against TMO or any collateral;

(j) any assignment, conveyance, mortgage, merger or other transfer, voluntary or involuntary (whether by operation of law or otherwise), of all or any part of TMO's interest in the TMO Agreement;

(k) any assignment, conveyance, mortgage, merger or other transfer, voluntary or involuntary (whether by operation of law or otherwise) of all or part of the interest or rights of LAWA under the TMO Agreement; or

(l) the bankruptcy or insolvency of TMO.

3. To charge Guarantor under this Guaranty no demand shall be required, Guarantor hereby expressly waiving any such demand. LAWA shall have the right to enforce this Guaranty without pursuing any right or remedy of LAWA against TMO or any other party, or any security LAWA may hold. LAWA may commence any action or proceeding based upon this Guaranty

directly against Guarantor without making TMO or anyone else a party defendant in such action or proceeding. Any one or more successive and/or concurrent actions may be brought hereon against Guarantor either in the same action, if any, brought against TMO and/or any other party or in separate actions, as often as LAWA, in its sole discretion, may deem advisable.

4. This Guaranty shall be binding upon Guarantor and its heirs, successors and assigns, and shall inure to the benefit of and may be enforced by the successors and assigns of LAWA or by any party to whom LAWA's interest in the TMO Agreement or any part thereof, including the Fees, may be assigned whether by way of mortgage or otherwise. Wherever in this Guaranty reference is made to either LAWA or TMO, the same shall be deemed to refer also to the then successor or assign of LAWA or TMO.

5. Except to the extent this Section is inconsistent with Section 13 herein, Guarantor hereby expressly waives and releases (a) notice of the acceptance of this Guaranty and notice of any change in TMO's financial condition; (b) the right to interpose any substantive or procedural defense of the law of guaranty, indemnification or suretyship, except the defenses of prior payment or prior performance (whether before, during or after any applicable notice and grace periods) by TMO of the obligations which Guarantor is called upon to pay or perform under this Guaranty; (c) all rights and remedies accorded by applicable law to guarantors or sureties, including, without limitation, any extension of time conferred by any law now or hereafter in effect; (d) the right to trial by jury, in any action or proceeding of any kind arising on, under, out of, or by reason of or relating, in any way, to this Guaranty or the interpretation, breach or enforcement thereof; (e) the right to interpose any defense (except as allowed under (b) above), set off or counterclaim of any nature or description in any action or proceeding; and (f) any right or claim of right to cause a marshalling of TMO's assets or to cause LAWA to proceed against TMO and/or any collateral held by LAWA at any time or in any particular order. Guarantor hereby agrees that this Guaranty constitutes a written consent to waiver of trial by jury pursuant to the provisions of California Code of Civil Procedure Section 631, and Guarantor does hereby constitute and appoint LAWA its true and lawful attorney-in-fact, which appointment is coupled with an interest, and Guarantor does hereby authorize and empower LAWA, in the name, place and stead of Guarantor, to file this Guaranty with the clerk or judge of any court of competent jurisdiction as a statutory written consent to waiver of trial by jury at LAWA's sole discretion. Guarantor does not waive or release any defenses set forth in Section 13.

6. Without limiting Guarantor's obligations elsewhere under this Guaranty, if TMO, or TMO's trustee, receiver or other officer with similar powers with respect to TMO, rejects, disaffirms or otherwise terminates the TMO Agreement pursuant to any bankruptcy, insolvency, reorganization, moratorium or any other law affecting creditors' rights generally, Guarantor shall automatically be deemed to have assumed, from and after the date such rejection, disaffirmance or other termination of the TMO Agreement is deemed effective, all obligations and liabilities of TMO under the TMO Agreement to the same extent as if Guarantor had been originally named instead of TMO as a party to the TMO Agreement and the TMO Agreement had never been so rejected, disaffirmed or otherwise terminated and shall be entitled to all benefits of TMO under the TMO Agreement. Guarantor, upon such assumption, shall be obligated to perform and observe all of the covenants whether theretofore accrued or thereafter accruing, and Guarantor shall be subject to any rights or remedies of LAWA which may have theretofore accrued or

which may thereafter accrue against TMO on account of any default under the TMO Agreement, notwithstanding that such defaults existed prior to the date Guarantor was deemed to have automatically assumed the TMO Agreement or that such rights or remedies are unenforceable against TMO by reason of such rejection, disaffirmance or other termination, provided that Guarantor shall have a reasonable time after such assumption to cure non-monetary defaults existing as of the date of such assumption. Guarantor shall confirm such assumption at the request of LAWA upon or after such rejection, disaffirmance or other termination, but the failure to do so shall not affect such assumption. Guarantor, upon the assumption of the TMO Agreement, shall have all of the rights of TMO under the TMO Agreement (to the extent permitted by law). Neither Guarantor's obligations, including but not limited to payment in accordance with this Guaranty, nor any remedy for the enforcement thereof shall be impaired, modified, changed, stayed, released or limited in any manner by any impairment, modification, change, release, limitation or stay of the liability of TMO or its estate in bankruptcy or any remedy for the enforcement thereof resulting from the operation of any present or future provision of the Bankruptcy Code of the United States or other statute or from the decision of any court interpreting any of the same, and Guarantor shall be obligated under this Guaranty as if no such impairment, stay, modification, change, release or limitation had occurred.

7. This Guaranty and all rights, obligations and liabilities arising hereunder shall be construed according to the substantive laws of California without reference to choice of law principles. Any legal action, suit or proceeding against Guarantor with respect to this Guaranty shall be brought in federal or state courts located in Los Angeles, California.

8. Guarantor hereby waives any and all rights of subrogation (if any) which it may have against TMO as a result of actions taken or amounts paid in connection with or relating to this Guaranty or to the TMO Agreement.

9. Guarantor represents and warrants to LAWA that as of the date hereof:

(a) This Guaranty constitutes the legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, and other laws affecting creditors' rights generally, to moratorium laws from time to time in effect and to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) No action, suit or proceeding is pending or, to the best of Guarantor's knowledge, threatened against Guarantor that would materially affect Guarantor's ability to fully perform its obligations under this Guaranty.

10. If LAWA shall be obligated by reason of any bankruptcy, insolvency or other legal proceeding to pay or repay to TMO or to Guarantor, or to any trustee, receiver or other representative of either of them, any amounts previously paid by TMO or Guarantor pursuant to the TMO Agreement or this Guaranty, Guarantor shall reimburse LAWA for any such payment or repayment and this Guaranty shall extend to the extent of such payment or repayment made by LAWA, except to the extent, if any, that such payment or repayment is prohibited by law or that such payment or repayment constitutes merely a reimbursement of any overpayment. LAWA

shall not be required to litigate or otherwise dispute its obligation or make such payment or repayment if in good faith and on written advice of counsel reasonably acceptable to Guarantor LAWA believes that such obligation exists.

11. LAWA and Guarantor shall each, not more than once per calendar year and within ten (10) business days following request by the other, execute, acknowledge and deliver to the other a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications) and that to the best of the certifying party's knowledge, Guarantor is not in default hereunder (or if there is such a default, describing such default in reasonable detail).

12. All remedies afforded to LAWA by reason of this Guaranty or the TMO Agreement, or otherwise available at law or in equity, are separate and cumulative remedies, and it is stipulated that no one remedy, whether or not exercised by LAWA, shall be deemed to be in exclusion of any other remedy available to LAWA and shall not limit or prejudice any other legal or equitable remedy which LAWA may have.

13. All defenses afforded to TMO or Guarantor by reason of this Guaranty or the TMO Agreement or otherwise available to TMO or Guarantor at law or in equity shall also be available to Guarantor.

14. If any term, covenant, condition or provision of this Guaranty or the application thereof to any circumstance or to Guarantor shall be invalid or unenforceable to any extent, the remaining terms, covenants, conditions and provisions of this Guaranty or the application thereof to any circumstances or to Guarantor, other than those as to which any term, covenant, condition or provision is held invalid or unenforceable, shall not be affected thereby and each remaining term, covenant, condition and provision of this Guaranty shall be valid and shall be enforceable to the fullest extent permitted by law.

15. Written notices to City hereunder shall be sent to the Executive Director with a copy sent to the City Attorney of the City of Los Angeles and addressed to said parties at:

Executive Director
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216

City Attorney
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216

or to such other address as these parties may designate by written notice to Guarantor.

Written notices to Guarantor hereunder shall be sent and addressed to:

JCDecaux North America, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10016

16. All notices, demands, and other communications which are required or may be permitted to be given to LAWA or Guarantor by the other hereunder shall be in writing and shall be sent by United States mail, postage prepaid, certified, or by personal delivery or nationally recognized overnight courier, addressed to the addresses set forth in this Guaranty, or to such other place as either party may from time to time designate in a notice to the other party given as provided herein. Notice shall be deemed given upon actual receipt (or attempted delivery if delivery is refused), if personally delivered, or one (1) business day following deposit with a reputable overnight courier that provides a receipt, or on the fifth (5th) day following deposit in the United States mail in the manner described above.

18. This Guaranty shall continue in full force and effect and Guarantor's liability hereunder shall continue notwithstanding the termination or earlier expiration of the TMO Agreement until the date that the covenants have been fully performed.

[illegible]

IN WITNESS WHEREOF, City has caused this Guaranty to be executed on its behalf by Executive Director and Guarantor has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first above written.

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

CITY OF LOS ANGELES

Date _____

By _____
Deputy/Assistant City Attorney

By _____
Executive Director
Department of Airports

ATTEST:

JCDECAUX NORTH AMERICA, INC.

By _____
Signature

By _____
Signature

Print Name

Print Name

Print Title

Print Title

EXHIBIT E

FORM OF STORAGE SPACE ADDENDUM

STORAGE SPACE ADDENDUM

THIS STORAGE SPACE ADDENDUM (this "Addendum") is made as of _____, 20__ by and between THE CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS, a municipal corporation ("City"), acting by order of and through its Board of Airport Commissioners ("Board"), and _____, a _____ ("TMO"), and upon execution and delivery of this Addendum by Executive Director shall become a part of that certain Los Angeles International Airport Terminal Media Operator Concession Agreement dated as of _____, 2013, by and between City and TMO with respect to the Licensed Area (as defined therein) (the "Concession Agreement").

1. Defined Terms. All initially capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Concession Agreement, unless the context clearly indicates otherwise.

2. Lease of Storage Space. In consideration of the payment of Storage Rent (hereinafter defined) and keeping and performance of the covenants and agreements by TMO as set forth in this Addendum and in the Concession Agreement, City leases to TMO approximately _____ square feet of storage space (the "Storage Space"), as shown on the drawing attached to this Addendum as Schedule 1.

3. Term of Storage Space Addendum. TMO's right to use the Storage Space will commence at 12:00 noon on _____, 20__, and terminate on the earlier of (a) thirty (30) days' prior written notice from either of City or TMO to the other, and (b) the concurrent expiration or earlier termination of the Concession Agreement. In connection with the expiration or earlier termination of this Addendum, TMO shall remove all of its goods, furniture, equipment, files, supplies and other personal property from the Storage Space and shall surrender the Storage Space in substantially the same condition as received by TMO.

4. Storage Rent. Monthly base rent for the Storage Space ("Base Storage Rent") will be \$ _____. In addition to monthly Base Storage Rent, TMO shall pay as additional storage rent ("Additional Storage Rent") to City an amount equal to electricity, CAM, and taxes. Electricity (and any other utilities) with respect to each portion of Storage Space shall be separately metered at TMO's expense, and shall be invoiced directly to TMO. If Executive Director agrees that it is impossible to separately meter a given utility at a given portion of Storage Space, then TMO shall pay to City as Additional Rent an equitable and non-discriminatory pro-rata amount of said utility invoice which includes said Storage Space, based upon Executive Director's good faith estimate of TMO's share thereof. For purposes of this Addendum, "Storage Rent" shall mean Base Storage Rent and all Additional Storage Rent payable to City hereunder. All Storage Rent will be payable in advance, without notice, on the first day of each month during the term, at the place designated in the Basic Information of the Concession Agreement for the payment of Fees, or at such place as City may from time to time designate in writing.

5. Use of Storage Space. TMO will use the Storage Space in a careful, safe and proper manner, in accordance with all applicable Laws and any Rules and Regulations. TMO agrees to be fully liable for any damages or losses sustained by City as a result of any

overloading by TMO. TMO will pay City as Additional Storage Rent on demand for any damage to the Storage Space caused by misuse or abuse by TMO, its agent or employees, or any other person entering the Storage Space. TMO will not commit waste nor permit waste to be committed nor permit any nuisance in the Storage Space.

6. Lighting; Electricity. City agrees, during the Term of this Addendum, to furnish and provide such electric lighting service to and such ingress and egress from the Storage Space during ordinary business hours as may, at the judgment of City, be reasonably required for the use and occupancy of the Storage Space pursuant to the terms of this Addendum. TMO agrees that City will not be liable for failure to provide such lighting service or ingress and egress during any period when City uses reasonable diligence to supply them. City reserves the right temporarily to discontinue electric service, or ingress or egress, at such times as may be necessary when City is unable to provide them by reason of accident, unavailability of employees, repairs, alterations or improvements, or whenever by reason of strikes, walkouts, riots, acts of God, or any other happening beyond the control of City. City will be under no obligation to furnish heating or air conditioning service to the Storage Space. City will have the right to enter the Storage Space to examine and inspect it as provided in the Concession Agreement and to require the removal of any object or material City deems hazardous to the safety or operation of the Facility or building in which the Storage Space is located.

7. TMO Contacts. TMO will provide City a list of TMO's appointed representatives and their telephone numbers for the Storage Space. TMO may, from time to time, change the individuals who are designated as TMO's representatives by written notice to City of any such change. City will contact TMO's representative only to obtain access to the Storage Space. City will place signs identifying the location and telephone number for TMO representative on each Storage Space.

8. Storage at TMO's Risk; Condition of Storage Space. TMO agrees that all property of TMO kept or stored in the Storage Space will be at the sole risk of TMO and that TMO will not be liable for any injury or damage to such property. TMO will carry and maintain, at TMO's expense, insurance covering all property stored in the Storage Space. Taking possession of the Storage Space by TMO will be conclusive evidence that the Storage Space was in the condition agreed upon between City and TMO and acknowledgment by TMO that it accepts the Storage Space in its then "as-is, where is" condition, "with all faults," and without any further improvement by City.

9. Applicability of the Concession Agreement. Except to the extent specifically provided otherwise in this Addendum, the provisions of the Concession Agreement (other than Sections ____) shall be applicable to the Storage Space and this Addendum as if they were specifically set forth in this Addendum. During the term of this Addendum, references in the Concession Agreement to the "Licensed Area" will be deemed to refer to the "Storage Space," unless the context clearly indicates otherwise. In the event of any express conflict between the provisions of the Concession Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

10. Cross-Default. Any default by TMO in the performance of TMO's obligations under this Addendum will also be a default under the Concession Agreement.

11. Improvements to Storage Space; Relocation and Partial Termination. TMO shall not make any Alterations or Improvements to the Storage Space without the prior written consent of City and compliance with the applicable provisions of the Concession Agreement. City expressly reserves the rights (a) to relocate the Storage Space to such other storage area as may be designated by City, or (b) to partially terminate this Addendum with respect to any portion of the Storage Space upon not less than thirty (30) days prior written notice to TMO. Notwithstanding anything to the contrary provided in the Concession Agreement or otherwise, TMO shall not be entitled to any compensation or reimbursement in connection with such relocation or partial termination (including, without limitation, any compensation or reimbursements for moving expenses, or for alterations or improvements made to the Storage Space); provided, however, the Storage Rent shall be equitably adjusted in connection with any reduction in the Storage Space.

12. Counterparts. This Addendum may be executed in counterparts, but shall become effective only after each party has executed a counterpart hereof; all said counterparts when taken together, shall constitute the entire single agreement between the parties.

[Signatures on next page]

IN WITNESS WHEREOF, City has caused this Addendum to be executed on its behalf by Executive Director and TMO has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

APPROVED AS TO FORM: Michael N. Feuer, City Attorney Date: _____ By: _____ Deputy/Assistant City Attorney	CITY OF LOS ANGELES By: _____ Executive Director Department of Airports
JCDECAUX AIRPORT, INC. By: _____ (Signature) _____ Print Name and Title	JCDECAUX AIRPORT, INC. By: _____ (Signature) _____ Print Name and Title

EXHIBIT F

FORM OF IMPROVEMENT PAYMENT & PERFORMANCE BONDS

Payment Bond

Know all Men by these presents:

THAT WE _____

as principal, and _____

as sure _____ are held and firmly bound unto the CITY OF LOS ANGELES, California, a municipal corporation,
in the sum of _____

_____ Dollars
(\$ _____) lawful money of the United States, for which, payment well and truly to be made, we
bind ourselves, jointly and severally, firmly by these presents.

Signed, sealed and dated _____, 20 _____.

The condition of the above obligation is such that, whereas said principal has been awarded and is about to
enter into a written contract with the City of Los Angeles for _____

_____ which is hereto attached, and incorporated by reference herein, and to which reference is made for all particulars,
and is required by said city to give this bond in connection with the execution of said contract;

Now, therefore, if said principal as contractor in said contract, or _____

_____ subcontractor, fails to pay for any materials, provisions, provender or
other supplies or teams used in, upon or for or about the performance of the work contracted to be done, or for
any work or labor done thereon of any kind or for amounts due under the Unemployment Insurance Act with
respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise
Tax Board from the wages of employees of the principal and his subcontractors pursuant to sec. 18806 of the
Revenue and Taxation Code of the State of California with respect to such work and labor, said suret _____

_____ will pay the same in an amount not exceeding
the sum set forth above, and also in case suit is brought upon this bond, a reasonable attorney's fee to be fixed
by the court. This bond shall inure to the benefit of any and all persons, companies and corporations entitled
to file claims under and by virtue of the applicable provisions of Division III, Part 4, Title 15 (commencing with
Section No. 3082) of the Civil Code of the State of California, or their assigns.

WITNESS our hands this _____ day of _____, 20 _____.

PRESIDENT

SECRETARY

Solely,

Solely,

*Corporation, Partnership or Individual Principal must have signatures acknowledged in
the appropriate blank on the reverse hereof.*

If a Corporation — Corporate Seal must be impressed hereon.

EXHIBIT F

Contractor's Bond
Know all Men by these presents:

THAT WE _____

_____ as PRINCIPAL,
and _____, a corporation
organized under the laws of the State of _____ and duly authorized to
transact business under the laws of the State of California, as surety, are held and firmly bound unto THE
CITY OF LOS ANGELES, A MUNICIPAL CORPORATION, as obligee, in the just and full sum of _____

_____ Dollars (\$ _____),
for the payment whereof well and truly to be made said principal and surety bind themselves, their heirs, executors,
administrators, successors, and assigns, jointly and severally firmly by these presents.

THE CONDITION of the foregoing obligation is such, that whereas, the above bounden principal is about to
enter into a contract, attached hereto, and incorporated by reference herein, with said obligee to do and perform
the following, to-wit:

as will more fully appear from said contract, reference to which is hereby made, and which said contract and all
documents incorporated therein by reference are expressly made a part hereof.

The said surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration
or addition to the terms of the contract, or to the work to be performed thereunder shall in anywise affect its
obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or
addition to the terms of the contract or the work.

NOW, THEREFORE, if the above bounden principal shall well and truly perform the work contracted to be done
under said contract, and shall fully and faithfully carry out and perform all of the terms, covenants and conditions
of said contract upon its or his part to be performed, then this obligation to be null and void, otherwise to remain
in full force and effect.

No right of action shall accrue under this bond to or for the use of any person other than the obligee named herein.

Signed and sealed this _____ day of _____, A.D. 20 _____.

PRESIDENT

SECRETARY

By _____
ATTORNEY-IN-FACT.

Corporate or individual principal must have signatures acknowledged
in the appropriate blank on the reverse hereof.
Corporate seal must be impressed herein in case of corporation.

Surety.

EXHIBIT G

INSRUANCE REQUIREMENT

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS

NAME: JCDECAUX AIRPORT, INC.
AGREEMENT / ACTIVITY: Terminal Media Operator Concession Agreement at LAX.
TERM: Expires 12/31/20
LAWA DIVISION: Commercial Development Group

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All limits are per occurrence unless otherwise specified.

	<u>LIMITS</u>
(X) Workers' Compensation (Statutory)/Employer's Liability (X) Voluntary Compensation Endorsement (X) Waiver of Subrogation, specifically naming LAWA (Please see attached supplement)	<u>Statutory</u>
(X) Automobile Liability - covering owned, non-owned & hired auto	<u>\$10,000,000 CSL</u>
(X) Aviation/Airport or Commercial General Liability, including the following coverage: (X) Premises and Operations (X) Contractual (Blanket/Schedule) (X) Independent Contractors (X) Products /Completed Operations (X) Personal Injury (X) Additional Insured Endorsement, specifically naming LAWA (Please see attached supplement). () Hangarkeepers Legal Liab. (At least at a limit of liability of \$ 1 million)	<u>\$10,000,000</u>
(X) Professional Liability	<u>\$1,000,000</u>
(X) Property Insurance 95% Co-Ins. () Actual Cash Value (X) Replacement Value () Agreed Amt. (X) Covering company's improvements, w/waiver of subrogation (Including building structure, if applicable) (Department does not insure company's improvements) (X) All Risk Coverage (X) Fire & Basic Causes of Loss Form, including sprinkler leakage (X) Vandalism and Malicious Mischief (X) Debris Removal (X) Builder's Risk Insurance - (All Risk Coverage) Required if property or building ultimately revert to City	<u>Value of Improvements</u>
Coverage for Hazardous Substances ** Must meet contractual requirements	<u>\$ ***</u>

CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT.

INSURANCE COMPANIES WHICH DO NOT HAVE AN AMBEST RATING OF A- OR BETTER, AND HAVE A MINIMUM FINANCIAL SIZE OF AT LEAST 4, MUST BE REVIEWED FOR ACCEPTABILITY BY RISK MANAGEMENT.

PLEASE RETURN THIS FORM WITH EVIDENCE OF INSURANCE

EXHIBIT G
INSURANCE REQUIREMENT

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)

The only evidence of insurance accepted will be either a Certificate of Insurance and/or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

- **Endorsements:**

1. Workers Compensation Waiver of Subrogation Endorsement
(WC 04 03 06 or similar)
2. General Liability Additional Insured Endorsements
(ISO Standard Endorsements)

****All endorsements must specifically name in the schedule:

The City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents.

A BLANKET/AUTOMATIC ENDORSEMENT AND/OR LANGUAGE ON A CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE.

- A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.

EXHIBIT H

CHILD SUPPORT

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

CHILD SUPPORT

Sec. 10.10. Child Support Assignment Orders.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions.

Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them

personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§ 5230 *et seq.* and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

c. Notice to Bidders.

Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance.

Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code § 5230 *et seq.* and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. City's Compliance with California Family Code.

The City shall maintain its compliance with the provisions of California Family Code §§ 5230 *et seq.* and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. Report of Employees' Names to District Attorney.

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff. 2-13-99.

EXHIBIT I

EQUAL EMPLOYMENT PRACTICES

LOS ANGELES ADMINISTRATIVE CODE
Div. 10, Ch. 1, Art. I

EQUAL EMPLOYMENT

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

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

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has

not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two

years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Paragraphs A, B, C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,283, Eff. 6-26-00. Oper. 7-1-00.

EXHIBIT J

AFFIRMATIVE ACTION PROGRAM

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

AFFIRMATIVE ACTION

Sec. 10.8.4. Affirmative Action Program Provisions.

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

A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

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

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

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

E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or

EXHIBIT J
AFFIRMATIVE
ACTION

proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding

authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

(1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

(2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to

the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen into the industry; and
7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A, B, C, Ord. No. 164,516, Eff. 4-13-89; Paragraphs B, and C, Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. P, Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

EXHIBIT K

LIVING WAGE ORDINANCES

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 11

LIVING WAGE ORDINANCE

Sec. 10.37 Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this article the City intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the City.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

Nothing less than the living wage should be paid by the recipients of City financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor. The same adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This article is meant to protect these employees as well.

The City holds a proprietary interest in the work performed by many employees employed by lessees and licensees of City property and by their service contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby does the same for the success of City operations. By the 1998 amendment to this article, recognition is given to the prominence of this interest at those facilities visited by the public on a frequent basis, including but not limited to, terminals at Los Angeles International Airport, Ports O'Call Village in San Pedro, and golf courses and recreation centers operated by the Department of Recreation and Parks. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the City. Primarily because of the latter concern and experience to date regarding the failure of some employers to honor their obligation to pay the living wage, the 1998 amendments introduce additional enforcement mechanisms to ensure compliance with this important obligation. Non-complying employers must now face the prospect of paying civil penalties, but only if they fail to cure non-compliance after having been given formal notice thereof. Where non-payment is the issue, employers who dispute determinations of non-compliance may avoid civil penalties as well by paying into a City holding

EXHIBIT K LIVING WAGE ORDINANCE

account the monies in dispute. Employees should not fear retaliation, such as by losing their jobs, simply because they claim their right to the living wage, irrespective of the accuracy of the claim. The 1998 amendments strengthen the prohibition against retaliation to serve as a critical shield against such employer misconduct.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-1-99.*

Sec. 10.37.1 Definitions.

The following definitions shall apply throughout this article:

- (a) "Airport" means the Department of Airports and each of the airports which it operates.
- (b) "Airport Employer" means an Employer, as the term is defined in this section, at the Airport.
- (c) "Airport Employee" means an Employee, as the term is defined in this section, of an Airport Employer.
- (d) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or public lease or license, or, where there is no such subordinate or component entity or person, then the City or the City financial assistance recipient.
- (e) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles ("CRA"). The CRA is urged, however, to adopt a policy similar to that set forth in this article.
- (f) "City financial assistance recipient" means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial

assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars (\$1,000,000) or more in any twelve-month period shall require compliance with this article for five years from the date such assistance reaches the one million dollar (\$1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars (\$1,000,000) but at least one hundred thousand dollars (\$100,000), there shall be compliance for one year if at least one hundred thousand dollars (\$100,000) of such assistance is given in what is reasonably contemplated at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar (\$100,000) threshold.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

A recipient shall be exempted from application of this article if: (1) it is in its first year of existence, in which case the exemption shall last for one (1) year, (2) it employs fewer than five (5) employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or (3) it obtains a waiver as provided herein. A recipient - who employs the long-term unemployed or provides trainee positions intended to prepare employees for permanent positions, and who claims that compliance with this article would cause an economic hardship - may apply in writing to the City department or office administering such assistance, which department or office shall forward such application and its recommended action on it to the

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City Council. Waivers shall be affected by Council resolution.

(g) "Contractor" means any person that enters into: (1) a service contract with the City, (2) a service contract with a proprietary lessee or licensee or sublessee or sublicensee, or (3) a contract with a City financial assistance recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of City financial assistance recipients shall not be regarded as contractors except to the extent provided in Subsection (i).*

*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(h) "Designated Administrative Agency (DAA)" means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

(i) "Employee" means any person - who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license - who is employed (1) as a service employee of a contractor or subcontractor on or under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; (2) as a service employee - of a public lessee or licensee, of a sublessee or sublicensee, or of a service contractor or subcontractor of a public lessee or licensee, or sublessee or sublicensee - who works on the leased or licensed premises; (3) by a City financial assistance recipient who expends at least half of his or her time on the funded project; or (4) by a service contractor or subcontractor of a City financial assistance recipient and who expends at least half of his or her time on the premises of the City financial assistance recipient directly involved with the activities funded by the City.

(j) "Employer" means any person who is a City financial assistance recipient, contractor, subcontractor, public lessee, public sublessee, public

licensee, or public sublicensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§ 21.00 - 21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all employees other than child care workers.

(k) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(l) "Public lease or license".

(a) Except as provided in (l)(b)*, "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:

*Technical correction due to re-lettering of subsections: "(i) (b)" corrected to "(l) (b)".

(1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or

(2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or

(3) The DAA has determined in writing that coverage would further the proprietary interests of the City.

(b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:

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(1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;

(2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;

(3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;

(4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;

(5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);

(6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;

(7) Public leases and licenses shall be deemed to include public subleases and sublicenses;

(8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

(m) "Service contract" means a contract let to a contractor by the City primarily for the furnishing of services to or for the City (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess

of twenty-five thousand dollars (\$25,000) and a contract term of at least three (3) months; but only where any of the following applies: (1) at least some of the services rendered are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the DAA has determined in writing that coverage would further the proprietary interests of the City.

(n) "Subcontractor" means any person not an employee that enters into a contract (and that employs employees for such purpose) with (1) a contractor or subcontractor to assist the contractor in performing a service contract or (2) a contractor or subcontractor of a proprietary lessee or licensee or sublessee or sublicensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of City financial assistance recipients shall not be regarded as subcontractors except to the extent provided in Subsection (i).*

*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(o) "Willful violation" means that the employer knew of his, her, or its obligations under this article and deliberately failed or refused to comply with its provisions.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (c), Ord. No. 176,155, Eff. 9-22-04; Subsec. (e), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; Subsecs. (a) through (f) re-lettered (d) through (j), respectively and new Subsecs. (a), (b), and (c) added, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.2 Payment of Minimum Compensation to Employees.

(a) Wages. Employers shall pay Employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per

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hour without health benefits. With the annual adjustment effective July 1, 2009, together with all previous annual adjustments as provided by this subsection, such rates are ten dollars and thirty cents (\$10.30) per hour with health benefits or, if health benefits are not provided, then fourteen dollars and eighty cents (\$14.80) per hour for Airport Employees and eleven dollars and fifty-five cents (\$11.55) per hour for all other Employees. The hourly rate with health benefits to be paid to all Employees and the hourly rate without health benefits to be paid to Airport Employees shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

(b) **Compensated Days Off.** Employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request. Employers shall also permit employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (a), Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Subsec. (a), Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.3 Health Benefits.

(a) **Health Benefits.** The health benefits required by this article shall consist of the payment of at least four dollars and fifty cents (\$4.50) per hour by Airport Employers and at least one dollar and twenty-five cents (\$1.25) per hour by all other Employers towards the provision of health care benefits for Employees and their dependents. Proof of the provision of such benefits must be submitted to the awarding authority to qualify for the wage rate in Section 10.37(a) for Employees with health benefits.

Airport Employees cannot waive the health benefits offered by an Airport Employer when the Airport Employer does not require an out-of-pocket contribution by the Airport Employee. Consistent with and as shall be reflected in the hourly rates payable to Airport Employees as provided in 10.37.2(a) above, the amount of payment for health benefits by Airport Employers shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly payments, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted payment, which shall take effect upon such publication.

(b) **Periodic Review.** At least once every three years, the Office of Administrative and Research Services shall review the health benefit payment by Airport Employers set forth in 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.4 Notifying Employees of their Potential Right to the Federal Earned Income Credit.

Employers shall inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Credit ("EIC") under § 32 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.5 Retaliation Prohibited.

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Neither an employer, as defined in this article, nor any other person employing individuals shall discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,347, Eff. 3-3-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.6 Enforcement.

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

(1) For failure to pay wages required by this article - back pay for each day during which the violation continued.

(2) For failure to pay medical benefits - the differential between the wage required by this article without benefits and such wage with benefits, less amounts paid, if any, toward medical benefits.

(3) For retaliation - reinstatement, back pay, or other equitable relief the court may deem appropriate.

(4) For willful violations, the amount of monies to be paid under (1) - (3) shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action and to an employer who so prevails if the employee's suit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall constitute a material breach thereof and entitle

the City to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that there shall be compliance with federal law proscribing retaliation for union organizing.

(d) An employee claiming violation of this article may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an employer has violated this article, the DAA shall issue a written notice to the employer that the violation is to be corrected within ten (10) days. In the event that the employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

(1) Request the awarding authority to declare a material breach of the service contract, public lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the service contract, public lease or license, or financial assistance agreement and the return of monies paid by the City for services not yet rendered.

(2) Request the City Council to debar the employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.

(3) Request the City Attorney to bring a civil action against the employer seeking:

(i) Where applicable, payment of all unpaid wages or health premiums prescribed by this article; and/or

(ii) A fine payable to the City in the amount of up to one hundred dollars (\$100) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained

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by the City for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the employer or to the employees in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of arbitration shall be borne by the City, unless the arbitrator determines that the employer's position in the matter is frivolous, in which event the arbitrator shall assess the employer for the full cost of the arbitration. Interest earned by the City on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

(e) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.7 Administration.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article ("designated administrative agency" - DAA). The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this article. The DAA shall also issue determinations that persons are City financial assistance recipients, that particular contracts shall be regarded as "service contracts" for purposes of Section 10.37.1(j), and that particular leases and licenses shall be regarded as "public leases" or "public licenses" for purposes of Section 10.37.1(i), when it receives an application for a determination of non-coverage or exemption as provided for in Section 10.37.13. The DAA shall also establish employer reporting requirements on employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section 10.37.4. The DAA shall report

on compliance to the City Council no less frequently than annually.

During the first, third, and seventh years of this article's operation since May 5, 1997, and every third year thereafter, the Office of Administrative and Research Services and the Chief Legislative Analyst shall conduct or commission an evaluation of this article's operation and effects. The evaluation shall specifically address at least the following matters: (a) how extensively affected employers are complying with the article; (b) how the article is affecting the workforce composition of affected employers; (c) how the article is affecting productivity and service quality of affected employers; (d) how the additional costs of the article have been distributed among workers, their employers, and the City. Within ninety days of the adoption of this article, these offices shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,283, Eff. 6-26-00, Oper. 7-1-00; Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.8 Exclusion of Service Contracts from Competitive Bidding Requirement.

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two-million dollars (\$2,000,000). Charter Section 372 shall not be applicable to service contracts.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,283, Eff. 6-26-00, Oper. 7-1-00.*

Sec. 10.37.9 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for violation of other minimum compensation laws.

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SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.10 Expenditures Covered.

This article shall apply to the expenditure -- whether through aid to City financial recipients, service contracts let by the City, or service contracts let by its financial assistance recipients -- of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.11 Timing of Application.

(a) Original 1997 Ordinance. The provisions of this article as enacted by City Ordinance No. 171,547, effective May 5, 1997, shall apply to (1) contracts consummated and financial assistance provided after such date, (2) contract amendments consummated after such date and before the effective date of the 1998 ordinance which themselves met the requirements of former Section 10.37.1(h) (definition of "service contract") or which extended contract duration, and (3) supplemental financial assistance provided after May 5, 1997 and before the effective date of the 1998 ordinance which itself met the requirements of Section 10.37.1(c).

(b) 1998 Amendment. The provisions of this article as amended by the 1998 ordinance shall apply to (1) service contracts, public leases or licenses, and financial assistance agreements consummated after the effective date of such ordinance and (2) amendments, consummated after the effective date of such ordinance, to service contracts, public leases or licenses, and financial assistance agreements that provide additional monies or which extend term.

(c) 2000 amendment. The provisions of this article as amended by the 2000 ordinance shall apply to (1) service contracts, public leases or public licenses and City financial assistance recipient agreements

consummated after the effective date of such ordinance and (2) amendments to service contracts, public leases or licenses and City financial assistance recipient agreements which are consummated after the effective date of such ordinance and which provide additional monies or which extend the term.

(d) 2009 Amendment. The provisions of this article as amended by the 2009 ordinance shall become operative ninety (90) days following the effective date of the 2009 ordinance.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (b), Subsec. (c) Added, Ord. No. 173,747, Eff. 3-24-01; Subsec. (d) Added, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.12 Supersession by Collective Bargaining Agreement.

Parties subject to this article may by collective bargaining agreement provide that such agreement shall supersede the requirements of this article.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.13 Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "City financial assistance recipient" in Section 10.37.1(c), of "public lease or license" in Section 10.37.1(i), and of "service contract" in Section 10.37.1(j) shall be liberally interpreted so as to further the policy objectives of this article. All recipients of City financial assistance meeting the monetary thresholds of Section 10.37.1(c), all City leases and licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with

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the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

SECTION HISTORY

*Added by Ord. No. 172,335, Eff. 1-14-99.
Amended by: Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.14 Severability

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 3-5-97.
Amended by: In Entirety, Ord. No. 172,335, Eff. 1-14-99*

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EXHIBIT M

SERVICE CONTRACT WORKER RETENTION ORDINANCE

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 10

SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Sec. 10.36 Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

*Article and Section Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

(a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.

(b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.

(c) "City financial assistance recipient" means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section § 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax

increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) "Contractor" means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) "Employee" means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees; restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employee, or (2) required to possess an occupational license.

(f) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) "Service contract" means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

(h) "Subcontractor" means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service

contract and that employs employees for such purpose.

(i) "Successor service contract" means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-15-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.2. Transition Employment Period.

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or

subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor

from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this section and section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article

shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely

within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to the expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

*Added by Ord. No. 171,004, Eff. 5-18-96.
Amended by: Ord. No. 172,337, Eff. 1-14-99; Ord. No. 172,843, Eff. 11-4-99*

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

*Added by Ord. No. 171,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.*

Sec. 10.36.8. Promulgation of Implementing Rules.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, §§5-18-96.

EXHIBIT N

CONTRACTOR RESPONSIBILITY PROGRAM

Los Angeles World Airports (LAWA)
Contractor Responsibility Program
Rules and Regulations

LOS ANGELES WORLD AIRPORTS



CONTRACTOR RESPONSIBILITY PROGRAM

RULES AND REGULATIONS

Effective date: August 23, 2011

Procurement Services Division
7301 World Way West, 4th Floor
Los Angeles, CA 90045
(424) 646-5380
(424) 646-9262 (Fax)

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Contractor Responsibility Program
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EXHIBIT N

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These Rules and Regulations are promulgated pursuant to Board Resolution #21601, the Los Angeles World Airports Contractor Responsibility Program (CRP). Each Requesting LAWA Division shall cooperate to the fullest extent with the Executive Director in the administration of the CRP. The Executive Director may amend these Rules and Regulations from time to time as required for the implementation of the CRP.

A. DEFINITIONS

1. **Adoption of CRP definitions:** For purposes of these Rules and Regulations, the definitions set forth in the Board Resolution are incorporated herein by reference, and include the following:

- a. Board
- b. Executive Director
- c. Los Angeles World Airports (LAWA)
- d. "Contract" means any agreement for the performance of any work or service, the provision of any goods, equipment, materials or supplies, or the rendition of any service to LAWA or to the public or the grant of a public lease, which is awarded or entered into by or on behalf of LAWA. These Rules and Regulations shall apply to the following contracts:
 - (1) Contracts for services that require Board approval.
 - (2) Contracts for purchasing goods and products that require Board approval.
 - (3) Construction contracts that require Board approval.
- e. Contractor
- f. Subcontractor
- g. Bidder
- h. Bid
- i. Invitation for Bid ("IFB")
- j. Public Lease

2. **New Definitions:**

- a. "Awarding Authority" means either the Executive Director or the Board of Airport Commissioners ("Board") or the Board's designee.
- b. "CRP Questionnaire" means the set of questions developed by Procurement Services Division (PSD) that will assist LAWA in determining a bidder or contractor's responsibility. Information solicited from the CRP Questionnaire may include but is not limited to: ownership and name changes, financial resources and responsibility,

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satisfactory performance of other contracts, satisfactory record of compliance with relevant laws and regulations, and satisfactory record of business integrity. PSD may amend the CRP Questionnaire from time to time.

- c. **"CRP Pledge of Compliance"** means the CRP Pledge developed by PSD. The CRP Rules and Regulations may be updated from time to time by PSD. The CRP Pledge shall require contractors to sign under penalty of perjury that the contractor will:
- (1) Comply with all applicable Federal, State, and local laws and regulations during the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
 - (2) Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the contractor did not comply with subparagraph 2(c)(1) above in the performance of the contract.
 - (3) Notify LAWA within 30 calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated subparagraph 2(c)(1) above in the performance of the contract.
 - (4) Provide LAWA within thirty (30) calendar days updated responses to the CRP Questionnaire if any change occurs which would change any response contained within the completed CRP Questionnaire. Note: This provision does not apply to amendments of contracts not subject to the CRP and to subcontractors not required to submit a Questionnaire.
 - (5) Ensure that subcontractors working on the LAWA contract shall complete, sign and submit a CRP Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs 2(c)(1) through (4).
 - (6) Notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving the subcontractors in the performance of a LAWA contract.
 - (7) Cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.
- d. **"Requesting Division"** means the LAWA division(s) which issued the Request For Bids ("RFB"), Request For Proposal ("RFP") or Request for Qualifications ("RFQ").
- e. **"Responsibility"** means possessing the necessary "trustworthiness" and "quality, fitness and capacity" to perform the work set forth in the contract.

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B. SUBMISSION OF CRP QUESTIONNAIRES

1. **Issuance of Invitation for Bids (IFB):** These include Request for Bids (RFB), Request for Proposals (RFP), and Request for Qualifications (RFQ). Unless otherwise exempt from the CRP, if a proposed contract meets the definition of a contract subject to the CRP as defined in the Resolution and these Rules and Regulations, LAWA shall include in the IFB:
 - a. Language informing potential bidders of the CRP;
 - b. The CRP Questionnaire that bidders submit with their bid; and
 - c. The CRP Pledge of Compliance that bidders submit with their bid.
2. **Submission of CRP Questionnaires with Bids:**
 - a. All bid and proposal submissions are required to contain a completed and signed CRP Questionnaire and a signed CRP Pledge of Compliance.
 - b. Failure to submit a CRP Questionnaire and a CRP Pledge of Compliance in accordance with the IFB procedures may make the bidder non-responsive and disqualified from the bidding process.
 - c. Submitted CRP Questionnaires and CRP Pledge of Compliance become public records, and information contained therein will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law.
3. **Use of a non-competitive process to procure the proposed contract:** If a non-competitive process is used by LAWA Divisions to procure the proposed contract, the proposed contractor is required to submit the completed CRP Questionnaire and a signed CRP Pledge of Compliance to LAWA for determination of contractor responsibility prior to execution of the contract.
4. **Subcontractors:** The list of subcontractors shall be submitted with the bid and will be made available for public review along with the bidder's Questionnaire. For construction contracts, bidders must list a subcontractor proposed to be used on the City contract if the subcontractor will be performing work on the construction contract in an amount in excess of \$10,000 or in excess of one-half of one percent of the total bid amount, whichever is greater. For service contracts, bidders must list subcontractors as required by the IFB.

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C. LAWA REVIEW OF SUBMITTED CRP QUESTIONNAIRES

1. **Departmental Review of submitted bids:** As part of the determination of a bidder's responsiveness, PSD will review the bid submissions to determine whether a completed CRP Questionnaire, signed under penalty of perjury, has been included with the bid. If a completed Questionnaire has not been included with the bid as required by the IFB procedures, the bidder may be deemed to be non-responsive and may be disqualified from the bidding process.
2. **Posting of CRP Questionnaires and Subcontractor List:** Requesting Divisions will forward to PSD the completed CRP Questionnaires and subcontractor list(s), if any, submitted by the responsive bidders to make available for public review as follows:
 - a. If a contract is to be awarded pursuant to a competitive bid process, the CRP Questionnaires for the three lowest responsive bidders and their list of proposed subcontractors, if any, will be forwarded to PSD to make them available for public review for a minimum period of 14 calendar days.
 - b. If a contract is to be awarded pursuant to a proposal (RFP) or qualifications (RFQ) and award is not based on the lowest submitted bid price, the CRP Questionnaires for the short-listed proposers and their list of proposed subcontractors, if any, will be forwarded to PSD to make them available for public review for a minimum period of 14 calendar days. If no short-listing procedure is used, the CRP Questionnaire for the prospective contractor shall be made available for public review for a minimum period of 14 calendar days.
 - c. If a contract is to be awarded to a Sole Source, the CRP Questionnaire for the proposed contractor and their list of proposed subcontractors, if any, will be forwarded to PSD to make it available for public review for a period of 14 calendar days.
 - d. No contract shall be awarded to any bidder until at least 14 calendar days after the CRP Questionnaire has been made available for public review. If administrative or technical errors prevent or delay the posting of the CRP Questionnaire, the posting period will be extended by the amount of time that the CRP Questionnaire was not available for public review.
 - e. The CRP Questionnaire of the bidder/proposer awarded the contract will be retained by the Requesting Division as part of the contract file. The CRP Questionnaires for the bidders/proposers not awarded the contract will be retained in the customary manner by the Requesting Division.

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3. Claims Resulting from Public Review:

- a. Claims regarding a bidder or contractor's responsibility should be submitted to PSD in writing. However, PSD may investigate a claim regarding a bidder's or a contractor's responsibility, whether or not it is submitted in writing, if PSD in its discretion determines that the claim calls into question the bidder's, the proposer's or the contractor's responsibility.
- b. If PSD receives information which calls into question a bidder's responsibility, and the information was received **before** the contract has been executed, PSD shall:
 - (1) Notify the Requesting Division in writing that no contract shall be awarded until PSD has completed investigation into the matter.
 - (2) Investigate the matter as required in Section G, "LAWA INVESTIGATION" to determine its validity.
 - (3) Upon completion of the investigation, PSD shall notify the Requesting Division and the Awarding Authority in writing of the result of the investigation.
 - (4) No contract may be awarded to any bidder until after the investigation has been completed and the Requesting Division and the Awarding Authority have received written notification that the investigation has been completed.
 - (5) Findings from the PSD investigation received by the Awarding Authority will be considered by the Awarding Authority as part of the determination of the bidder's responsibility.
- c. If PSD receives written information that calls into question a contractor's responsibility, and the information was received **after** the contract has been executed, PSD shall investigate the matter as required in Section G, LAWA INVESTIGATION.

D. AWARD AND EXECUTION OF CONTRACTS

1. Departmental Determination of Responsibility and Award of Contract:

- a. Requesting Division and the Awarding Authority shall determine whether a bidder/contractor is a responsible bidder, proposer or contractor with the necessary trustworthiness, quality, fitness and capacity to perform the work set forth in the proposed contract by considering the following:
 - (1) Information contained in the CRP Questionnaire;
 - (2) Information and documentation from PSD's investigation;
 - (3) Information regarding the bidder's, proposer's or contractor's past performance that may be contained in the City of Los Angeles' Contractor Evaluation Database.
 - (4) Information that may be available from any compliance or regulatory governmental agency, and

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- (5) Any other reliable information that may be available, including but not limited to information from any individual or any other governmental agency.
- b. The Board may award and the Executive Director may execute a contract with a bidder or proposer only if:
 - (1) The bidder's or proposer's CRP Questionnaire has been made available for public review for at least 14 calendar days unless otherwise exempted from the posting requirement by the CRP;
 - (2) The bidder or proposer is not being investigated by PSD pursuant to the CRP;
 - (3) The bidder or proposer has not been found to be a non-responsible bidder/proposer pursuant to the CRP;
 - (4) The bidder or proposer does not appear on any City list of debarred bidders or contractors; and
 - (5) The bidder or proposer has met all other applicable City requirements.

2. Submission of Pledge of Compliance:

- a. Unless otherwise exempt from the CRP, all bid/proposal submissions (RFBs, RFPs and RFQs) are required to contain a Pledge of Compliance with the CRP signed under penalty of perjury. Failure to submit a CRP Pledge of Compliance with the bid/proposal may make the bidder non-responsive and disqualified from the bidding process.
- b. Within 10 calendar days of execution of a contract with LAWA, the contractor shall submit to LAWA a signed CRP Pledge of Compliance from each subcontractor listed as performing work on the contract.

3. Subcontractor Responsibility:

- a. Contractors shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRP and these Rules and Regulations unless the subcontract is not subject to the CRP.
- b. Contractors shall ensure that subcontractors working on the LAWA agreement shall complete and submit a signed CRP Pledge of Compliance.
- c. Contractors shall not use in any capacity any subcontractor that has been determined or found to be a non-responsible contractor by LAWA or the City.
- d. Subject to approval by the Requesting Division, contractors may substitute a non-responsible subcontractor with another, responsible subcontractor with no changes in bid amounts.

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4. Execution of Contracts:

- a. Unless exempt from the CRP, all contracts shall contain language obligating the contractor to comply with the CRP.
- b. No contract may be executed unless:
 - (1) The proposed contractor has submitted a signed Pledge of Compliance with the CRP.
 - (2) The proposed contractor's CRP Questionnaire, unless otherwise exempt, has been made available for public review for at least 14 calendar days in accordance with these Rules and Regulations.

E. CONTRACT AMENDMENTS

- 1. Compliance with the CRP, except for the requirement to submit a CRP Questionnaire, is required in contract amendments if the initial contract was not subject to the CRP, but the total term and amount of the contract, inclusive of all amendments, would make the contract subject to the CRP.
 - a. A contractor subject to the CRP because of an amendment shall submit a CRP Pledge of Compliance to the Requesting Division before the contract amendment can be executed.
 - b. Unless exempt from the CRP, all contract amendments shall contain contract language obligating the contractor to comply with the CRP.

F. CONTRACTOR NOTIFICATION OF INVESTIGATIONS AND UPDATE OF INFORMATION

- 1. Notification of Investigations: Contractors shall:
 - a. Notify the Requesting Division and PSD within 30 calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that the contractor violated any applicable Federal, State, or local law in the performance of a LAWA, City of Los Angeles, County of Los Angeles, State of California, Federal Government or other government contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
 - b. Notify the Requesting Division and PSD within 30 calendar days of becoming aware of a violation or finding of violation of any applicable federal, state, or local law involving its subcontractors or sub-sub-contractors at any level in the performance of a LAWA contract.

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2. Update of CRP Questionnaire Information:

- a. Updates of information contained in the contractor's responses to the CRP Questionnaire shall be submitted to the Requesting Division and PSD within 30 days of any changes to the responses if the change would affect the contractor's responsibility or ability to continue performing the contract.
- b. PSD or the Requesting Division shall determine whether a contractor in a specific situation should have provided information or updated information.
 - (1) If PSD or the Requesting Division becomes aware of new information concerning a contractor and determines that the contractor should have provided information or updated LAWA with such information, but the contractor has not done so, PSD shall issue a written notice to the contractor requiring the contractor to submit the required information within 10 calendar days.
 - (2) If PSD or the Requesting Division becomes aware of new information concerning a subcontractor and determines that the subcontractor should have provided information or updated LAWA of such information, but the subcontractor has not done so, PSD shall issue a written notice to the contractor requiring the subcontractor to submit the required information within 10 calendar days.
- c. Contractor's failure to provide information or updated information when required by LAWA, the CRP or these Rules and Regulations may be considered a material breach of the contract, and, additionally, may result in the initiation of a non-responsibility hearing pursuant to Section I of these Rules and Regulations.

3. Contractors shall ensure that subcontractors provide information and updates. Contractors shall ensure that subcontractors performing work on their LAWA contract abide by these same updating requirements, including the requirement to:

- a. Notify the Requesting Division and PSD within 30 calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any applicable Federal, State, or local law in the performance of the LAWA or City contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees
- b. Notify the Requesting Division and PSD within 30 calendar days of all findings by a government agency or court of competent jurisdiction that the subcontractor violated any applicable Federal, State, or local law in the performance of a LAWA or City of Los Angeles contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

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4. **Submission of CRP Questionnaires and Updates of CRP Questionnaire Is Not Applicable to Subcontractors:** The requirement that contractors submit to LAWA CRP Questionnaires and updates to the CRP Questionnaire responses does not apply to subcontractors.

G. LAWA INVESTIGATION

1. **Reporting of Alleged Violations:** Allegations of violations of the CRP or these Rules and Regulations shall be reported to PSD. Complaints regarding a bidder's, proposer's or contractor's responsibility should be submitted to PSD in writing. However, PSD may investigate any claim or complaint regarding a bidder's, proposer's or a contractor's responsibility, whether or not it is submitted in writing. Whether based on a written complaint or otherwise, PSD shall be responsible for investigating such alleged violations.
2. **Process:**
 - a. Upon receipt of a complaint or upon initiation of an investigation, PSD shall notify the Requesting Division, the Awarding Authority and the bidder, proposer or contractor in writing that an investigation has been initiated.
 - b. The bidder, proposer or contractor shall cooperate fully with PSD in providing information. If the bidder/proposer or contractor fails to cooperate with PSD's investigation or fails to timely respond to PSD's requests for information, LAWA may initiate a non-responsibility hearing as set forth in Section I of these Rules and Regulations. A contractor's failure to cooperate may be deemed a material breach of the contract, and the City may pursue all available remedies.
 - c. To the extent permissible, PSD shall maintain the identity of the complainant, if any, confidential.
 - d. Upon completion of the investigation, PSD shall prepare a written report of the findings and notify the Requesting Division, the Awarding Authority and the bidder, proposer or contractor of the results.
3. **Results of Investigation:**
 - a. When an investigation is completed before the contract is awarded, PSD shall notify the Requesting Division and the Awarding Authority of the results, and Requesting Division and the Awarding Authority will consider the information as part of the determination of a bidder's responsibility during the bid/proposal review process.

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b. When an investigation is completed after the execution of a contract:

- (1) If violations of the CRP are found, PSD shall notify the Requesting Division and contractor of the violation and require the contractor to make corrections or take reasonable measures within 10 calendar days.
- (2) If the contractor fails to make corrections as required, PSD shall notify the Requesting Division and the Awarding Authority and may recommend that the Awarding Authority:
 - (i) Terminate the contract.
 - (ii) Initiate a hearing to declare the contractor a non-responsible contractor.

H. VIOLATIONS OF THE CRP OR THESE RULES AND REGULATIONS

1. Violations of the CRP or of these Rules and Regulations may be considered a material breach of the contract and may entitle LAWA or the City to terminate the contract.
2. Alleged violations of the CRP or of these Rules and Regulations shall be reported to the PSD which will investigate all such complaints.
3. When a violation of the CRP or of these Rules and Regulations is found, PSD shall notify the contractor and the Awarding Authority of the violation. PSD shall require the contractor to correct the violation within 10 calendar days. Failure to correct violations or take reasonable measures to correct violations within 10 calendar days may result in PSD:
 - a. Recommending that the Awarding Authority declare a material breach of the contract and that the Awarding Authority exercise all contractual and legal remedies available, including but not limited to termination of the contract.
4. Recommending that the Awarding Authority declare the contractor a non-responsible contractor by initiating, within 30 calendar days or as soon as practicable, a non-responsibility hearing in accordance with Section I of these Rules and Regulations.

I. NON-RESPONSIBILITY HEARING

1. The process of declaring a bidder or contractor a non-responsible bidder or contractor shall be initiated by the Awarding Authority after consultation with the City Attorney's Office.

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2. Before a bidder, proposer or contractor may be declared non-responsible, the bidder, proposer or contractor shall be notified of the proposed determination of non-responsibility and provided with an opportunity for a hearing.
3. The Awarding Authority or the Executive Director's designee shall preside over the non-responsibility hearing and shall provide the bidder, proposer or contractor with the following:
 - a. The bidder, proposer or contractor shall be provided with written Notice of intent to declare the bidder, proposer or contractor non-responsible ("Notice") which shall state that the Awarding Authority intends to declare the bidder, proposer or contractor a non-responsible bidder or contractor.
 - b. The Notice shall provide the bidder, proposer or contractor with the following information:
 - (1) That the Awarding Authority intends to declare the bidder or contractor a non-responsible bidder, proposer or contractor.
 - (2) A summary of the information upon which the Awarding Authority is relying.
 - (3) That the bidder, proposer or contractor has a right to respond to the information by requesting a hearing to rebut adverse information and to present evidence of its necessary trustworthiness, quality, fitness and capacity to perform the work required under the contract.
 - (4) That the bidder, proposer or contractor must exercise the right to a hearing by submitting to the Awarding Authority a **written request** for a hearing **within 10 working days** of the date of the Notice.
 - (5) That failure to submit a written request for hearing within 10 working days of the date of the Notice shall be considered a waiver of the right to a hearing that allows the Awarding Authority to proceed with the determination of non-responsibility.
 - c. If the bidder or contractor submits a written request for a hearing, the hearing may be held by the Awarding Authority for recommendation to the Board, which shall make the final decision.
 - d. The hearing must allow the bidder, proposer or contractor an opportunity to address the issues contained in the Notice of Intent to declare the bidder, proposer or contractor non-responsible.
 - e. The Awarding Authority may determine that the bidder, proposer or contractor:
 - (1) Does not possess the necessary trustworthiness, quality, fitness, or capacity to perform the work set forth in the proposed contract, should be declared a non-responsible bidder, proposer or contractor, and recommend to the Board invocation of the remedies set forth in Section J of these Rules and Regulations.
 - (2) Should not be declared a non-responsible bidder or contractor.

Los Angeles World Airports (LAWA)
Contractor Responsibility Program
Rules and Regulations

- f. The Board's determination shall be final and constitute exhaustion of administrative remedies.
- g. The Board's final decision shall be in writing and shall be provided to the bidder, proposer or contractor, the Requesting Division and to PSD. If the bidder, proposer or contractor is declared to be non-responsible, a copy of the final decision shall also be provided to the CAO.

J. NON-RESPONSIBILITY SANCTIONS

1. A bidder/proposer found non-responsible by LAWA shall be disqualified from:
 - a. award of the proposed contract or,
 - b. participating, in any way, in the proposed contract.

Such non-responsible bidder or proposer shall not perform any work in the proposed contract, whether as a prime contractor, a subcontractor, a partner in a partnership, a participant in a joint venture, a member of a consortium or in any other capacity.

2. An existing contractor found non-responsible by LAWA may be declared to have a material breach of contract, and LAWA may exercise its contractual and legal remedies thereunder, which are to include, but are not limited to termination of the contract.
3. Upon final determination of a bidder, proposer or contractor as non-responsible, PSD shall provide the Requesting Division and the bidder, proposer or contractor with a written notice summarizing the Awarding Authority's findings and sanctions.
4. PSD shall maintain a listing of bidders/proposers and contractors who have been found non-responsible by LAWA pursuant to the CRP.

K. EXEMPTIONS

1. **Categorical Exemption:** The following types of contracts are categorically exempt from the CRP and these Rules and Regulations:
 - a. Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such status.
 - b. Contracts for the investment of trust moneys or agreements relating to the management of trust assets.

Los Angeles World Airports (LAWA)
Contractor Responsibility Program
Rules and Regulations

- c. Banking contracts entered into by the Treasurer pursuant to California Government Code Section 53630 et seq.

Board approval required for CRP Exemptions: The following types of contracts are exempt from the requirement to submit a Questionnaire but remain subject to the requirement that the contractor submit a Pledge of Compliance and notify the Awarding Authority within 30 days of any information regarding investigations or the results of investigations by any governmental agency into the contractor's compliance with applicable laws.

- a. Contracts awarded on the basis of exigent circumstances when the Awarding Authority finds the City would suffer a financial loss or that City operations would be adversely impacted.
 - (1) This exemption is subject to approval by PSD.
 - (2) The Awarding Authority shall submit a request to PSD for waiver along with written certification that the required conditions exist.
 - (3) No contract may be exempted under this provision unless PSD has granted written approval of the waiver.
- b. Contracts where the goods or services are proprietary or available from only one source.
 - (1) This exemption is subject to approval by PSD.
 - (2) The Awarding Authority shall submit a request to PSD for waiver along with written certification that the required conditions exist.
 - (3) No contract may be exempted under this provision unless PSD has granted written approval of the waiver.
- c. Contracts awarded in accordance with Charter Section 371(e)(5). The Awarding Authority must certify in writing that award is based on urgent necessity in accordance with Charter Section 371(e)(5).
- d. Contracts entered into based on, Charter Section 371(e)(6), (7) or (8). The Awarding Authority must certify in writing that the contract is entered into in accordance with Charter Section 371(e)(6), (7) or (8).

Los Angeles World Airports (LAWA)
Contractor Responsibility Program
Rules and Regulations

L. EFFECTIVE DATE OF RULES AND REGULATIONS

1. These Rules and Regulations apply to IFB's issued after the Executive Director has approved these Rules and Regulations.
2. These Rules and Regulations apply to contracts entered into by LAWA after the Executive Director has approved these Rules and Regulations.
3. Contracts amended after these Rules and Regulations are approved by the Executive Director will become subject to CRP and these Rules and Regulations if they meet definitions contained in the CRP and these Rules and Regulations.

M. CONSISTENCY WITH FEDERAL AND STATE LAW

The CRP and these Rules and Regulations do not apply in instances where application would be prohibited by Federal and State law or where the application would violate or be inconsistent with the terms and conditions of a grant or contract with the Federal or State agency.

N. SEVERABILITY

If any provision of the CRP or these Rules and Regulations are declared legally invalid by any court of competent jurisdiction, the remaining provisions remain in full force and effect.

**LOS ANGELES WORLD AIRPORTS
CONTRACTOR RESPONSIBILITY PROGRAM
PLEDGE OF COMPLIANCE**

The Los Angeles World Airports (LAWA) Contractor Responsibility Program (Board Resolution #21601) provides that, unless specifically exempted, LAWA contractors working under contracts for services, for purchases, for construction, and for leases, that require the Board of Airport Commissioners' approval shall comply with all applicable provisions of the LAWA Contractor Responsibility Program. Bidders and proposers are required to complete and submit this Pledge of Compliance with the bid or proposal or with an amendment of a contract subject to the CRP. In addition, within 10 days of execution of any subcontract, the contractor shall submit to LAWA this Pledge of Compliance from each subcontractor who has been listed as performing work on the contract.

The contractor agrees to comply with the Contractor Responsibility Program and the following provisions:

- (a) To comply with all applicable Federal, state, and local laws in the performance of the contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (b) To notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the contractor is not in compliance with paragraph (a).
- (c) To notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated paragraph (a).
- (d) To provide LAWA within thirty (30) calendar days updated responses to the CRP Questionnaire if any change occurs which would change any response contained within the completed CRP Questionnaire. Note: This provision does not apply to amendments of contracts not subject to the CRP and to subcontractors not required to submit a CRP Questionnaire.
- (e) To ensure that subcontractors working on the LAWA contract shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs (a) through (c) herein. To submit to LAWA the completed Pledges.
- (f) To notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable federal, state, or local law involving the subcontractors in the performance of a LAWA contract.
- (g) To cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

Failure to sign and submit this form to LAWA with the bid/proposal may make the bid/proposal non-responsive.

Company Name, Address and Phone Number

Signature of Officer or Authorized Representative

Date

Print Name and Title of Officer or Authorized Representative

Project Title

EXHIBIT O

FIRST SOURCE HIRING

FIRST SOURCE HIRING PROGRAM FOR AIRPORT EMPLOYEES

- I. Purpose. The purpose of this First Source Hiring Program is to facilitate the employment of Targeted Applicants by Airport Employers. It is a goal of this First Source Hiring Program that this Program benefit Airport Employers by providing a pool of qualified job applicants through a non-exclusive referral system.
- II. Definitions. As used in this Program, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"Airport" shall mean Los Angeles International Airport.

"Airport Employer" shall mean a party that, through a contract, lease, licensing arrangement, or other arrangement, agrees to comply with this First Source Hiring Program with regard to Airport Jobs. Operators of transportation charter party limousines, non-tenant shuttles, and taxis shall not be considered Airport Employers.

"Airport Job" shall mean a job that either (i) is performed On-Site, or (ii) is directly related to a contract, lease, licensing arrangement, or other arrangement under which the employer is an Airport Employer. Positions for which City's Worker Retention Policy requires hiring of particular individuals shall not constitute Airport Jobs for purposes of this Program.

"City" shall mean the City of Los Angeles.

"Coalition" shall mean the LAX Coalition for Economic, Environmental, and Educational Justice, an unincorporated association comprised exclusively of the following organizations: AGENDA; AME Minister's Alliance; Clergy and Laity United for Economic Justice; Coalition for Clean Air; Communities for a Better Environment; Community Coalition; Community Coalition for Change; Environmental Defense; Inglewood Coalition for Drug and Violence Prevention; Inglewood Democratic Club; Lennox Coordinating Council; Los Angeles Alliance for a New Economy; Los Angeles Council of Churches; Nation of Islam; Natural Resources Defense Council; Physicians for Social Responsibility Los Angeles; Service Employees International Union Local 347; and Teamsters Local 911.

"Coalition Representative" shall mean the following: The Coalition shall designate one individual as the "Coalition Representative" authorized to speak or act on behalf of the Coalition for all purposes under the Cooperation Agreement. The Coalition Representative may designate one or more assistants to assist the Coalition Representative in speaking or acting on behalf of the Coalition with respect to any specific program or activity or any other matter. The Coalition shall provide LAWA with contact information for the Coalition Representative upon request.

"Cooperation Agreement" shall mean the Cooperation Agreement between LAWA and the LAX Coalition for Economic, Environmental and Educational Justice.

"LAWA" shall mean Los Angeles World Airports.

"Low-Income Individual" shall mean an individual whose household income is no greater than 80% of the median income, adjusted for household size, for the Primary Metropolitan Statistical Area.

"On-Site" shall mean physically located on property owned or leased by LAWA and pertaining to Airport.

"Program" shall mean this First Source Hiring Program.

"Project Impact Area" shall have the meaning set forth in the "Final Environmental Impact Report" for the LAX Master Plan Program, dated April 2004, as supplemented by one or more EIR Addenda prior to certification of the EIR by the City Council.

"Referral System" shall mean the referral system established to provide applicant referrals for the Program.

"Special Needs Individuals" shall mean: (i) individuals who receive or have received public assistance through the [Temporary Assistance for Needy Families Program], within the past 24 months; (ii) individuals who are homeless; (iii) ex-offenders, (iv) chronically unemployed, and (v) dislocated airport workers.

"Targeted Applicants" shall have the meaning set forth in Section IV below.

III. Coverage. This Program shall apply to hiring by Airport Employers for all Airport Jobs, except for jobs for which the hiring procedures are governed by a collective bargaining contract that conflicts with this Program.

IV. Targeted Applicants. Referrals under the Program shall, to the extent permissible by law, be made in the order of priority set forth below.

- First Priority: Low-Income Individuals living in the Project Impact Area for at least one year and Special Needs Individuals; and
- Second Priority: Low-Income Individuals residing in City.

V. Initial Airport Employer Roles.

A. Liaison. Each Airport Employer shall designate a liaison for issues related to the Program. The liaison shall work with LAWA, the Coalition Representative, the

Referral System provider, and relevant public officials to facilitate effective implementation of this Program.

- B. Long-Range Planning. Any entity that becomes an Airport Employer at least two (2) months prior to commencing operations related to Airport shall, at least two months prior to commencing operations related to Airport, provide to the Referral System the approximate number and type of Airport Jobs that it will fill and the basic qualifications necessary.

VI. Airport Employer Hiring Process.

- A. Notification of Job Opportunities. Prior to hiring for any Airport Job, an Airport Employer shall notify the Referral System, by e-mail or fax, of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g., language skills, driver's license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.
- B. Referrals. After receiving a notification under Section VI.A above, the Referral System shall within five days, or longer time frame agreed to by the Referral System and Airport Employer, refer to the Airport Employer one or more Targeted Applicants who meet the Airport Employer's qualifications.
- C. Hiring.
 - 1. New Employer Targeted Hiring Period. When making initial hires for the commencement of an Airport Employer's operations related to Airport, the Airport Employer shall consider and hire only Targeted Applicants for a two week period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.
 - 2. Established Employer Targeted Hiring Period. When making hires after the commencement of operations related to Airport, an Airport Employer shall consider and hire only Targeted Applicants for a five-day period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.
 - 3. Hiring Procedure During Targeted Hiring Periods. During the periods described in Sections VI.C.1 and VI.C.2 above, Airport Employers may hire Targeted Applicants recruited or referred through any source. During

such periods Airport Employers shall use normal hiring practices, including interviews, to consider all applicants referred by the Referral System.

4. No Referral Fees. No Airport Employer or referred job candidate shall be required to pay any fee, cost or expense of the Referral System or this Program in connection with referrals.

VIII. Reporting and Recordkeeping.

- A. Reports. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall, on a quarterly basis, notify the Referral System of the number, by job classification, of Targeted Applicants hired by the Airport Employer during that quarter, and the total number of employees hired by the Airport Employer for Airport Jobs during that quarter. Any Airport Employer who has not had hiring activity for the quarter, shall also notify the Referral System of such inactivity.
- B. Recordkeeping. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall retain records sufficient for monitoring of compliance with this Program with regard to each Airport Job, including records of notifications sent to the Referral System, referrals from the Referral System, job applications received from any source, number of Targeted Applicants hired, and total number of employees hired for Airport Jobs. To the extent allowed by law, and upon reasonable notice, these records shall be made available to LAWA and to the Referral System for inspection upon request. The Coalition Representative may request that LAWA provide such records at anytime. Records may be redacted so that individuals are not identified by name and so that information required by law to remain confidential is excluded.
- C. Complaints. If LAWA, the Coalition, or the Referral System believes that an Airport Employer is not complying with this Program, then the designated LAWA office shall be notified to ensure compliance with this program.
- D. Liquidated Damages. Each Airport Employer agrees to pay to LAWA liquidated damages in the amount of One Thousand Dollars (\$1,000) where LAWA finds that the Airport Employer has violated this Program with regard to hiring for a particular Airport Job. LAWA shall establish procedures providing to Airport Employers notice and an opportunity to present all relevant evidence prior to LAWA's final determination regarding an alleged violation. This liquidated damages provision does not preclude LAWA from obtaining any other form of available relief to ensure compliance with this Program, including injunctive relief.

IX. Miscellaneous.

- A. Compliance with State and Federal Law. This Program shall be implemented only to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this Program is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of this Program, and the conflicting provisions of this Program shall not be enforceable.
- B. Severability Clause. If any term, provision, covenant or condition of this Program is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.
- C. Binding on Successors. This Program shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of any party that has committed to comply with it. Any reference in this Program to a party shall be deemed to apply to any successor in interest, transferee, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir or administrator of such party; provided, however, that any assignment, transfer or encumbrance of a lease agreement, permit or contract in which this Program is incorporated shall only be made in strict compliance with the terms of such lease agreement, permit or contract and the foregoing shall not constitute consent to any such assignment, transfer or encumbrance.
- D. Lease Agreements and Contracts. Airport Employers shall not execute any sublease agreement or other contract under which Airport Jobs may occur directly or indirectly, unless the entirety of this Program is included as a material term thereof, binding on all parties.
- E. Assurance Regarding Preexisting Contracts. Each Airport Employer warrants and represents that as of the date of execution of this Program, it has executed no sublease agreement or other contract that would violate any provision of this Program had it been executed after the date of incorporation of this Program into a binding contract.
- F. Intended Beneficiaries. LAWA, the Coalition, and the Referral System are intended third-party beneficiaries of contracts and other agreements that incorporate this Program with regard to the terms and provisions of this Program. However, the parties recognize that only LAWA has the sole responsibility to enforce the provisions of this Program.
- G. Material Terms. All provisions of this Program shall be material terms of any lease agreement or contract in which it is incorporated.
- H. Effective Date. Section VI of this Program shall become effective on the effective date of the contract or agreement into which it is incorporated.

- I. Construction. Any party incorporating this Program into a binding contract has had the opportunity to be advised by counsel with regard to this Program. Accordingly, this Program shall not be strictly construed against any party, and the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Program.
- J. Entire Contract. This Program contains the entire agreement between the parties on the subjects described herein, and supersedes any prior agreements, whether written or oral. This Program may not be altered, amended or modified except by an instrument in writing signed in writing by all parties to the contract in which it is incorporated.

EXHIBIT P

ALTERNATIVE FUEL VEHICLE PROGRAM REGULATIONS

ALTERNATIVE FUEL VEHICLE REQUIREMENT PROGRAM (LAX ONLY)

I. Definitions.

The following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"Airport Contract" shall mean a contract awarded by LAWA and pertaining to LAX, and subcontracts of any level under such a contract.

"Airport Contractor" shall mean (i) any entity awarded an Airport Contract, and subcontractors of any level working under an Airport Contract; (ii) any contractors that have entered into a contract with an Airport Lessee to perform work on property owned by LAWA and pertaining to LAX, and any subcontractors working in furtherance of such a contract; and (iii) any contractor that have entered into a contract with an Airport Licensee to perform work pertaining to LAX, and any subcontractors working under such a contract.

"Airport Lessee" shall mean any entity that leases or subleases any property owned by LAWA and pertaining to LAX.

"Airport Licensee" shall mean any entity issued a license or permit by LAWA for operations that pertain to LAX.

"Alternative-Fuel Vehicle" shall mean a vehicle that is not powered by petroleum-derived gasoline or diesel fuel. Alternative-Fuel Vehicles include, but are not limited to, vehicles powered by compressed or liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, fuel cells, or other advanced technologies. Vehicles that are powered with a fuel that includes petroleum-derived gasoline or diesel are Alternative-Fuel Vehicles only if the petroleum-derived energy content of the fuel is no more than twenty percent (20%) of the total energy content of the fuel. Vehicles powered by dual fuel technologies are Alternative-Fuel Vehicles only if no more than twenty-percent (20%) of the fuel used by the engine comes from a petroleum-derived fuel. Vehicles powered by fuels that are derived from sources other than petroleum, but that can be used in conventional spark or combustion-ignition engines, are Alternative-Fuel Vehicles.

"CARB" shall mean the California Air Resources Board.

"Comparable Emissions Vehicle" shall mean a vehicle powered by an engine certified by CARB operating on petroleum-derived gasoline or diesel fuel that has criteria pollutant emissions less than or equal to a comparable alternative fuel engine.

"Covered Vehicles" is defined in Section II below.

"EPA" shall mean the United States Environmental Protection Agency.

EXHIBIT P

"Independent Third Party Monitor" shall mean a person or entity empowered by LAWA to monitor compliance with and/or implementation of particular requirements in this policy.

"LAWA" shall mean Los Angeles World Airports.

"LAX" shall mean Los Angeles International Airport.

"Least-Polluting Available Vehicle" shall mean a vehicle that (i) is determined by an Independent Third Party Monitor to be (x) commercially available, (y) suitable for performance of a particular task, and (z) certified by CARB or EPA to meet the applicable engines emission standard in effect at the time of purchase; and (ii) is equipped with a retrofit device that reduces NOx emissions by at least twenty-five percent (25%) and reduces particulate matter by at least eighty-five percent (85%). Where more than one vehicle meets these requirements for a particular task, LAWA, working with the Independent Third Party Monitor, will designate as the Least-Polluting Available Vehicle the vehicle that emits the least amount of criteria air pollutants.

"Operator" shall mean any Airport Contractor, Airport Lessee, or Airport Licensee.

II. Covered Vehicles. The requirements under this Attachment shall apply to all on-road vehicles, including trucks, shuttles, passenger vans, and buses that are 8,500 lbs gross vehicle weight rating or more and are used in operations related to LAX ("**Covered Vehicles**").

III. Conversion Schedule.

- A. By January 31, 2010, fifty percent (50%) of the Covered Vehicles operated by an Operator shall be Alternative-Fuel Vehicles or Comparable Emissions Vehicles.
- B. By January 31, 2015, one hundred percent (100%) of the Covered Vehicles operated by an Operator shall be Alternative-Fuel Vehicles or Comparable Emissions Vehicles.

IV. Least-Polluting Available Vehicles. In cases where an Operator cannot comply with the requirements established pursuant to Section III above because neither Alternative-Fuel Vehicles nor Comparable Emissions Vehicles are commercially available for performance of particular tasks, LAWA will instead require Operators to use Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor will determine on an annual basis whether Alternative-Fuel Vehicles or Comparable Emissions Vehicles are commercially available to perform particular tasks, and, in cases where Alternative-Fuel Vehicles are not commercially available for performance of a particular task, will identify the Least-Polluting Available Vehicle for performance of that task.

V. Written Reports. Operator shall provide a semi-annual report to LAWA in the form attached as Attachment 1, which may be amended from time to time by LAWA.

EXHIBIT P

Diesel & Gasoline Vehicle Fleet
(List All-fuel vehicles on reverse side)

☐ Check box, if you do not have any on-road vehicles 8,500 lbs or greater

[illegible]

(Please turn over for alternative fuel vehicle reporting form)

**Alternative Fuel Vehicle Fleet
(List diesel & gas vehicles on reverse side)**

Company : _____

Date: _____

Completed by: _____

11

Phone: _____

Email:

[illegible]

EXHIBIT Q

ADMINISTRATIVE FEES

EXHIBIT Q

ADMINISTRATIVE FEES

For the first violation of any provision of this Agreement in any period of twelve (12) consecutive months during the term of this Agreement, \$100.

For the section violation of the same or any other provision of this Agreement in any period of twelve (12) consecutive months during the term of this Agreement, \$250.

For the third and any subsequent violation of the same or any other provision of this Agreement in any period of twelve (12) consecutive months during the term of this Agreement, \$500.

Administrative Fees begin accruing on the second (2nd) day unless waived by the City (and each succeeding day until compliance is reestablished) following written notice from the City of the violation. Payment of Administrative Fees shall occur within thirty (30) days following demand by the City. For those violations where a plan is required to correct the violation, then TMO and the City shall develop such plan, including a time schedule under which resolution can be achieved.

EXHIBIT R

LIMITS ON ADVERTISING CONTENT DISPLAYED ON ICONIC MEDIA STRUCTURES

EXHIBIT R
LIMITS ON ADVERTISING CONTENT
DISPLAYED ON ICONIC MEDIA STRUCTURES

Advertising: Maximum of twelve (12) minutes in each hour;

No more than two (2) consecutive minutes

EXHIBIT S
FORM OF LETTER OF CREDIT

EXHIBIT S

FORM OF LETTER OF CREDIT

Irrevocable and Transferable
Letter of Credit #

_____, 20__

Amount: U.S. \$ _____

To City of Los Angeles
 Department of Airports
 P.O. Box 92214
 Los Angeles, California 90009

Ladies and Gentlemen:

For the account of [TMO's Name], a _____ ("TMO"), we hereby issue
in your favor our Irrevocable Letter of Credit for U.S. \$ _____.

The amount of this credit is available to you by your drafts on us at sight
accompanied by the following statement signed by your Executive Director, Deputy Executive
Director Financial Services or Deputy Executive Director of Operations.

"I certify that the amount of our drawing is due the City of Los Angeles
Department of Airports pursuant to the terms of either the Terminal Media Operator Concession
Agreement dated _____, 20__ between the City of Los Angeles Department of
Airports and [TMO's Name], a [description of TMO] ("TMO") or any other agreement
between the City of Los Angeles Department of Airports and TMO."

Drafts must clearly specify the number of this credit, be in substantially the form
attached, and be presented at our counters at _____, not later than the close of
business on _____, 20__, or such later date as this credit shall have been
extended to (the "Expiration Date").

If a demand for payment made by you hereunder does not, in any instance,
conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that
the purported demand for payment was not effected in accordance with the terms and conditions
of this Letter of Credit, stating the reasons therefor, and that we are returning any documents to
you. Upon being notified that the purported demand for payment was not effected in accordance
with this Letter of Credit, you may attempt to correct any such non-conforming demand for
payment and (i) if notice of the non-conforming draft or demand is received by you within
twenty (20) days before the Expiration Date, the Expiration Date shall be automatically extended
for twenty (20) days (regardless of whether you attempt to correct such non-conforming draft or
demand), and (ii) if such non-conforming draft or demand is presented at our counters specified

in the preceding paragraph prior to the Expiration Date and notice of the non-conforming draft or demand is received by you after the Expiration Date, the Expiration Date shall be automatically extended for twenty (20) days after your receipt of such notice (regardless of whether you attempt to correct such non-conforming draft or demand)

This credit shall be deemed automatically extended without amendment for additional periods of one year from the present or any future expiration date unless at least sixty (60) days prior to any such date we notify you and TMO by registered mail that we elect not to consider the letter of credit renewed for any such additional period. You may then draw on us at sight with the above-specified signed statement.

This Letter of Credit is subject to the "International Standby Practices (ISP98)," International Chamber of Commerce Publication No. 590, and, as to matters not governed by ISP98, shall be governed by and construed in accordance with the laws of California, without regard to principles of conflicts of law.

We engage with you that drafts drawn under and in compliance with the terms of this credit will be duly honored by us on delivery of the statement as specified.

All bank charges and commissions are for the account of TMO.

Very truly yours,

Authorized Signature and Title

EXHIBIT T
RESERVED

RESERVED

EXHIBIT T

EXHIBIT U

OPERATION OF EMERGING MEDIA.

EXHIBIT U**EMERGING MEDIA**

<u>Element of Emerging Media</u>	<u>Implementation Date</u>
Sponsored Wi-Fi	First Agreement Year
Flight Information	First Agreement Year
Airport Information	First Agreement Year
Way Finding	First Agreement Year
Turn by Turn Directions	Third Agreement Year
Live Touch Gaming	First Agreement Year
LAX Airport Network Streaming	First Agreement Year
LAX Juke Box	Second Agreement Year
LAX Star Photo Booth	Second Agreement Year
LAX Secret Studio	Third Agreement Year
LAX Twitter Fall	First Agreement Year
LAX World Window	Second Agreement Year
LAX International Call Center	Third Agreement Year
Airport Directory	First Agreement Year
LAX Custom Coupons	Second Agreement Year
Mobile Food Ordering	Third Agreement Year

EXHIBIT V

ACDBE PARTICIPATION

EXHIBIT V

ACDBE PARTICIPATION

<u>Name of ACDBE</u>	<u>Role/Task</u>	<u>Projected Annual Gross Revenue</u>
JC Promotions, Inc.	Soliciting and securing sales from local clients.	\$5,200,000
J. Perez Associates, Inc.	Provide all maintenance, posting, cleaning and repair services.	\$205,000

EXHIBIT V

ACDBE PARTICIPATION

<u>Name of ACDBE</u>	<u>Role/Task</u>	<u>Projected Annual Gross Revenue</u>
JC Promotions, Inc.	Soliciting and securing sales from local clients.	\$5,200,000
J. Perez Associates, Inc.	Provide all maintenance, posting, cleaning and repair services.	\$205,000