# AVIATION SUPPORT SERVICES PERMIT OF \_\_\_\_\_ AT SAN FRANCISCO INTERNATIONAL AIRPORT

by and between

as Permittee,

and

# CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS AIRPORT COMMISSION

Ivar C. Satero Airport Director

Reference Date

Permit No. ####

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# AVIATION SUPPORT SERVICES PERMIT OF \_\_\_\_\_ AT SAN FRANCISCO INTERNATIONAL AIRPORT

# PERMIT SUMMARY

For the convenience of Permittee and City (as such terms are defined below), this Permit Summary (this "**Summary**") summarizes certain terms of this Permit (as defined below). This Summary is not intended to be a detailed or complete description of this Permit, and reference must be made to the other Sections below for the particulars of this Permit. In the event of any inconsistency between the terms of this Summary and any other provision of this Permit, such other provision shall prevail. Capitalized terms used elsewhere in this Permit and not defined elsewhere shall have the meanings given them in this Summary.

<b>Reference Date:</b>		
Permittee:	, a	
Permittee's Notice Address:		
(§ 12.1)	Attn: Title:	
	Tel. No.: Fax No.: Email:	
	Tel. No.: Cell No.:	
City:	Email: The City and County of San Francisco, a munici acting by and through its Airport Commission	ipal

corporation,

City's Notice Address: (§ 12.1)	: Building 100, International Terminal		
	Tel. No.: (650) 821-5000 Fax No.: (650) 821-5005		
Commencement Date: (§ 2.1)	The later of and the date on which the conditions precedent set forth in Section 2.1 [Commencement Date] are satisfied, in Director's sole discretion.		
Permitted Services: (§ 3)	11		
<b>Designated Areas:</b> Those Airport areas which are designated from time to the Director in which Permittee shall be authorized to provide Permitted Services. The initial Designated Areas are detected to the attached <i>Exhibit A</i> , which Exhibit can be updated by agreement of the parties from time to time to modify surples Designated Areas without formal amendment of this Permittee Areas are detected.			
Permit Fee: (§ 4)	The fee imposed on Permittee under this Permit, which fee may be adjusted by City from time to time, representing an amount sufficient to recover the costs incurred in the reasonable regulation by the Airport Commission of Permittee's operations hereunder. Initially, the Permit Fee shall be <b>Six Hundred Dollars (\$600.00)</b> per month; however, City reserves the right to increase the Permit Fee by notice to Permittee.		
Deposit Amount: (§ 8)	Nine Months of Permit Fees, which is currently equal to <b>Five</b> <b>Thousand Four Hundred Dollars</b> ( <b>\$5,400.00</b> ).		
Other Agreements: (§8.4)	N/A		

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Exhibits:	A – Permitted Services, Designated Areas, and Additional Terms
	and Conditions
	B – Quality Standards Program

Such exhibit is hereby incorporated herein and made a part hereof.

Initials of Authorized Representative of City \_\_\_\_\_

Initials of Authorized Representative of Permittee

# AVIATION SUPPORT SERVICES PERMIT OF \_\_\_\_\_\_ AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS AVIATION SUPPORT SERVICES PERMIT (this "**Permit**"), dated as of the Reference Date, is entered into by and between Permittee, and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission ("**City**"), which, in turn, acts by and through its Airport Director. This Permit is made with reference to the following facts:

A. The City and County of San Francisco owns the San Francisco International Airport (the "**Airport**") located in the County of San Mateo, State of California, which Airport is operated by and through the Airport Commission, the chief executive officer of which is the Airport Director ("**Director**").

B. Permittee desires to provide aviation support services to Permittee's Customers operating at the Airport, and Director has determined that such services, on the terms and conditions of this Permit, would be desirable for the Airport.

Accordingly, Permittee and City agree as follows:

#### 1. PERMIT

1.1 <u>Permittee's Right to Provide Aviation Support Services</u>. City, acting by and through Director, grants to Permittee a revocable, personal, non-exclusive privilege to provide the Permitted Services to Permittee's Customers operating at the Airport, subject to the terms and conditions hereinafter set forth. To the extent Permittee has any other agreement granting it operating rights at the Airport, the provisions of this Permit shall govern Permittee's rights and obligations with respect to such operations. In the event of any inconsistencies between this Permit and the operations provisions of such other agreement, this Permit shall prevail. As described below, this Permit may be revoked by Director at any time, without cause.

1.2 <u>Rights of Ingress and Egress</u>. Permittee shall have the non-exclusive rights of ingress and egress across Airport property to conduct its permitted operations hereunder provided that such ingress and egress activity: (a) shall not impede or interfere with the operation of the Airport by City or the use of the Airport by its tenants, passengers, or employees; (b) shall be subject to Airport Rules and Regulations, as amended from time to time (as amended, the "**Airport Rules**"), including those pertaining to badging, permitting, and other security requirements; (c) shall be in or on hallways, roads, and other areas designated by Director from time to time; and (d) may be suspended or revoked by Director in the event of an emergency or a threat to the Airport.

1.3 <u>Rights to Use Airport Property</u>. Except as provided above in Section 1.2 [Rights of Ingress and Egress], this Permit does not give to Permittee any right to use Airport property. If and to the extent Permittee requires Airport property for administration, equipment storage, and other purposes for Permittee's operation, such property use shall be pursuant to a separate agreement

between Permittee and City or between Permittee and Permittee's Customers. Nothing herein shall limit City's right to approve or disapprove any such agreement between Permittee and Permittee's Customers.

# 2. COMMENCEMENT DATE; REVOCATION

2.1 <u>Commencement Date</u>. This Permit shall be effective, and the "**Commencement Date**" shall be deemed to occur, on the later of the date specified in the Summary and the date on which all of the following conditions precedent are satisfied, in Director's sole discretion:

(a) Permittee shall have been certified by the Airport as being in compliance with the Airport's Quality Standards Program, as the same may be modified from time to time by the Airport Commission or Director (as so modified, "**QSP**");

(b) Permittee shall have posted the list of entitlements for employees covered under QSP, at a location which is readily available to all employees;

(c) Permittee shall distribute to each covered employee a pamphlet which describes the minimum benefits and compensation for which the employee is entitled under the QSP. The pamphlet shall accompany the first affected paycheck to covered employees after the implementation of the QSP.

(d) Director shall have received certificates evidencing that Permittee has obtained all insurance required by this Permit;

(e) Director shall have received the Deposit required by this Permit; and

(f) Director shall have received two (2) duplicate originals of this Permit, fully-executed by Permittee and City.

2.2 <u>Revocation; Termination</u>. This Permit shall continue in force until revoked or terminated as hereinafter provided.

(a) This Permit is revocable by Director at any time, in the sole and absolute discretion of Director. Such revocation shall be accomplished by giving thirty (30) days' prior notice to Permittee. Notwithstanding the foregoing, Director may also terminate the Permit upon the occurrence of an Event of Default (as defined below) without such 30-day notice.

(b) Permittee may terminate this Permit by giving thirty (30) days' prior notice to Director.

# 3. USE

3.1 <u>Performance of Permitted Services</u>. Permittee shall perform the Permitted Services in a professional manner and in strict conformity with the terms and conditions of this Permit, including the QSP which is incorporated herein by reference.

3.2 <u>Maintenance of Designated Areas</u>. Permittee shall, and shall cause its employees, contractors, agents, licensees and invitees (collectively, "**Permittee Entity**") to, maintain and keep the Designated Areas in a neat, clean and orderly condition, free from litter, debris, refuse, petroleum products or grease that may accumulate thereon as a result of Permittee's operations hereunder.

3.3 <u>No Other Businesses</u>. Permittee shall not conduct a separate business on or about the Airport, nor shall it offer, supply, sell or give away, any service or commodity other than the Permitted Services.

3.4 <u>Permittee's Report</u>. Permittee must give written notification to City of the names of Permittee's Customers for whom it is providing aviation support services and shall list the services being provided. Such notification shall be provided prior to the commencement of operations by Permittee under this Permit and at any time Permittee changes the services provided to Permittee's Customers or changes Permittee's Customers for whom services are provided. Permittee shall, on or before the July 1<sup>st</sup> of each year, deliver to Director, an operations report in form and substance satisfactory to Director ("**Permittee's Report**"). Permittee's Report shall include the following: a list of Permittee's Customers; a current flight schedule of handled airlines, and the total number of current employees. If Permittee is acting as the handling agent for airline customers who have not obtained an Operating Permit from City ("**Itinerant Carriers**"), then Permittee assumes the responsibility of submitting a Monthly Air Traffic Activity Report before the 10<sup>th</sup> of each month on behalf of all its Itinerant Carriers. This report shall include all the preceding month's activities for passenger counts, cargo tonnage and aircraft activities.

3.5 <u>Quality Standards Program</u>. In using the Airport facilities pursuant to this Permit, the Other Agreements, or otherwise, and in providing the Permitted Services, Permittee shall, and shall cause its Permittee Entities to, maintain the requirements of the QSP, which was initially adopted by the Airport Commission on December 7, 1999 and has been subsequently amended. The most recent version of the QSP is attached as Exhibit B for reference purposes. Permittee acknowledges and agrees that the QSP may be further amended from time to time by City, in City's sole and absolute discretion, and that Permittee shall comply with any such amended QSP following the Airport's implementation thereof. Permittee shall keep appropriate records regarding its implementation of and adherence to the QSP, which records shall be in form reasonably satisfactory to Director. At Director's request, Permittee shall submit to Director reports and/or other information regarding Permittee's implementation of and adherence to the QSP.

Permittee shall adhere to the requirements of the Ground Support Equipment Safety Inspection Program ("**GSESIP**"), as adopted by the Commission on October 21, 2014, by Resolution No. 14-0206, and fully described in Airport Rules and Regulations, at Rule 4.8 and Appendix B thereto, as the same may be amended from time to time.

3.6 <u>No Exclusivity</u>. Permittee acknowledges and agrees that Permittee has no exclusive rights to conduct the business described herein and that Director may arrange with others for similar activities at the Airport.

3.7 <u>Fuel System</u>. Permittee acknowledges that City has granted to a party the sole and exclusive right to operate a fuel system on the Airport. Permittee acknowledges and agrees that, to the extent it desires to receive distribution of jet fuel on Airport premises, it must receive such distribution from such party, on the terms and conditions established by such party.

3.8 <u>No Advertising or Promotions</u>. Permittee shall have no right to conduct any advertising or promotional activities on the Airport. Without limiting the generality of the foregoing, in no event will any advertising of cigarette or tobacco products be permitted.

3.9 <u>Prohibition Against Tobacco Advertising; Prohibition Against Tobacco Product Sales,</u> <u>Manufacture, and Distribution</u>. Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in San Francisco Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

3.10 <u>Representative of Permittee</u>. Permittee shall at all times retain at least one qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep Director informed in writing of the identity of each such person. The initial person so designated is the "**Initial Permittee Representative**" named in the Summary.

3.11 <u>Prohibited Activities</u>. Without limiting any other provision herein, Permittee shall not, without the prior written consent of Director: (a) cause or permit anything to be done, in or about the Airport, or bring or keep anything thereon which might (i) increase in any way the rate of fire insurance on the Airport; (ii) create a nuisance; (iii) in any way obstruct or interfere with the rights of others on the Airport or injure or annoy them; (b) commit or suffer to be committed any waste upon the Airport; (c) use, or allow the Airport to be used, for any improper, immoral, unlawful or objectionable purpose; (d) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within, or adjacent to any Airport building; or (e) do or permit to be done anything in any way tending to injure the reputation of City or appearance of the Airport.

3.12 <u>Audits</u>. Director shall have the right to audit Permittee's operations under this Permit, including Permittee's implementation of and adherence to QSP. Upon Director's written request, Permittee shall make available immediately to City and/or its auditors any and all books, records and accounts pertaining to its operations under this Permit. Should any examination, inspection, and audit of Permittee's operations disclose a failure by Permittee to abide by the terms of this Permit, including the QSP, Director shall have the right to impose upon Permittee a fine set forth herein and/or in the Airport Rules. In the event of such failure, Permittee shall also promptly reimburse City for all costs incurred in the conduct of such examination, inspection, and audit. In the event that Director deems it necessary to utilize the services of legal counsel in connection with collecting the reimbursement for

such examination, inspection, and audit, then Permittee shall reimburse City for reasonable attorneys' fees and litigation expenses as part of the aforementioned costs incurred.

3.13 <u>Other Reports and Submissions</u>. Permittee shall furnish City with such other financial, statistical, or operational reports as Director from time to time may reasonably require.

3.14 <u>Subcontracting of Services</u>. Permittee shall not subcontract any services being provided without prior approval from City. Prior to entering into an agreement with a subcontractor, Permittee must notify City in writing of the name and address of the subcontractor and the services being subcontracted. Permittee is responsible for ensuring that the subcontractor has an operating permit with City for the provision of such services.

# 4. FEES AND CHARGES

4.1 <u>Permit Fees</u>. Permittee shall pay to City the monthly Permit Fee, as established from time to time, on the first  $(1^{st})$  day of each month.

4.2 <u>Itinerant Carriers</u>. If Permittee is acting as the handling agent for Itinerant Carriers, then Permittee will assume responsibility of the payment of all associated operating fees for such Itinerant Carriers. Permittee shall collect from such Itinerant Carriers and remit to City each month, the landing fees for such Itinerant Carriers, which landing fees are based on the Airport's Rates and Charges, as established and from time to time, and the maximum reported landing weight of the aircraft flown. At such a time if they become applicable, Permittee shall remit payment on a monthly basis of Passenger Facility Charges or Cargo Fees on behalf of the Itinerant Carriers.

4.3 <u>Other Charges</u>. Permittee shall pay all other charges or fees occasioned by Permittee's operations or activities on the Airport, including security charges.

4.4 <u>Payment Details</u>. All payments hereunder, including Permit Fees, shall be paid at the office of Director, or at such other place as Director may from time to time designate in writing. All payments hereunder, including Permit Fees, shall be paid in lawful money of the United States, free from all claims, demands, setoffs, or counterclaims of any kind. Any payments hereunder, including Permit Fees, not paid when due shall be subject to a service charge equal to the lesser of the rate of one and one-half percent (1½%) per month, and the maximum rate permitted by law. Acceptance of any service charge shall not constitute a waiver of Permittee's default on the overdue amount or prevent City from exercising any of the other rights and remedies available to City.

4.5 <u>Prepay Permit Fees</u>. Notwithstanding anything to the contrary herein, in the event Permittee shall fail to pay any amount, including Permit Fees, when due hereunder, Director shall have the right to require Permittee to pay estimated Permit Fees and all other amounts due hereunder in advance of the month during which the same shall accrue. Such right shall be exercised by a notice from Director to Permittee, which notice may be given any time after such default by Permittee, regardless of whether the same is cured by Permittee.

# 5. ASSIGNMENT

5.1 <u>No Assignment</u>. Permittee shall not assign, encumber, or otherwise transfer, whether voluntary or involuntary or by operation of law, this Permit, or any right hereunder, without Director's prior written consent, which consent may be granted or denied in Director's sole and absolute discretion (the term "**Transfer**" shall mean any such assignment, encumbrance, or transfer). Director's consent to one Transfer shall not be deemed a consent to subsequent Transfers. Any Transfer made without Director's consent shall constitute a default hereunder and shall be voidable at Director's election.

5.2 Changes in Permittee. The merger of Permittee with any other entity or the transfer of any controlling ownership interest in Permittee, or the assignment or transfer of a substantial portion of the assets of Permittee shall constitute a Transfer. Without limiting the generality of the foregoing, if Permittee is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of the partner or partners owning fifty-one percent (51%) or more of the partnership, or the dissolution of the partnership, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of the partnership, shall be deemed a Transfer. If Permittee is a corporation or limited liability company, any dissolution, merger, consolidation or other reorganization of Permittee, or the sale or other transfer of a controlling percentage of the capital stock or membership interests of Permittee, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of Permittee, shall be deemed a Transfer. The phrase "controlling percentage" means the ownership of, and the right to vote, stock or interests possessing at least fifty-one percent (51%) of the total combined voting power of all classes of Permittee's capital stock or interests issued, outstanding and entitled to vote for the election of directors. Without limiting the restrictions on asset transfers, this paragraph shall not apply to stock or limited liability company interest transfers of corporations or limited liability companies the stock or interests of which is traded through an exchange or over the counter.

5.3 <u>No Release</u>. In no event will Director's consent to a Transfer be deemed to be a release of Permittee as primary obligor hereunder.

#### 6. COMPLIANCE WITH LAWS

At all times, Permittee shall cause its use of the Airport and its operations hereunder to 6.1 comply with all present and future federal, state and local laws, rules, regulations, and ordinances, as the same may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including those relating to (a) health and safety; (b) disabled access, including the Americans with Disabilities Act, 42 U.S.C. Sections 12101 et seq., Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 et seq.), and Title 24 of the California Code of Regulations, (c) Hazardous Materials (as defined below); and (d) aviation support and handling (collectively "Laws"), and the Airport's Tenant Improvement Guide, as amended from time to time (as amended, the "Airport's TI Guide"), the Airport Rules, and any Directives (as defined below). As used herein the term "Directives" shall mean collectively, any rules, regulations, or requirements made by City, directives and Airport Operating Bulletins of Director, and all oral and/or written instructions given to Permittee by the Federal Aviation Administration or the Airport control tower. City and each City Entity (as defined below) shall have no liability and Permittee waives any liability for any diminution or deprivation of Permittee's rights hereunder pursuant to this Section 6. As used herein, the term "City Entity" shall mean City, the Airport Commission, its members, all officers, agents, and employees of each of them, and their successors and assigns.

## 7. WAIVER; INDEMNITY; INSURANCE

7.1 <u>Waiver</u>. Permittee covenants and agrees that City shall not at any time to any extent whatsoever be liable, responsible or in anywise accountable for, and Permittee waives and releases any claim (including any claim for contractual or implied indemnity) against City, for Losses which (a) at any time after the Reference Date may be suffered or sustained by Permittee or any Permittee Entity arising out of Permittee's operations, or (b) are caused in whole or in part by any act or omission (whether negligent, non-negligent or otherwise) of Permittee or any Permittee Entity, whether or not such Losses shall be caused in part by any act, omission or negligence of any City Entity, except to the extent caused solely by the gross negligence or willful misconduct of City.

7.2 <u>Indemnity</u>. In addition to, and not in limitation of the foregoing, Permittee shall forever indemnify, defend, hold and save City and each City Entity free and harmless of, from and against any and all Losses caused in whole or in part by (a) any act or omission of Permittee or any Permittee Entity, (b) Permittee's operations at the Airport, or (c) any default by Permittee or any Permittee Entity in the observation or performance of any of the terms, covenants, or conditions of this Permit, whether or not any such Losses shall be caused in part by any act, omission or negligence of City or any City Entity, except to the extent caused solely by the gross negligence or willful misconduct of City.

7.3 "<u>Losses</u>." For purposes hereof "**Losses**" shall mean any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs), of any kind or nature.

7.4 <u>Notice</u>. Without limiting the foregoing waiver and indemnity, each party hereto shall give to the other prompt and timely written notice of any Loss coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

7.5 <u>Insurance</u>. Permittee shall procure and maintain the following insurance:

(a) Workers' Compensation Insurance with Employer's Liability limits not less than \$1,000,000 each accident, together with adequate provision for Social Security and Unemployment Compensation.

(b) Comprehensive General Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability and Completed Operations Coverages, covering Permittee's operations at and around the Airport. If Permittee's services include aircraft maintenance or fueling, then the limits shall not be less than \$25,000,000.

(c) Business Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including owned, non-owned and hired automobile coverages, as applicable.

7.6 <u>Form of Policies</u>. All insurance required by Permittee hereunder shall be pursuant to policies in form and substance and issued by companies satisfactory to City and City's City Attorney. City may, upon reasonable notice and reasonable grounds increase or change the required insurance

hereunder, in which event Permittee shall obtain such required insurance. Without limiting the generality of the foregoing, all Liability Insurance, shall be endorsed or otherwise to provide the following:

(a) Name as additional insured the City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees of each of them (collectively "Additional Insureds").

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought. No other insurance effected by City will be called upon to contribute to a loss covered hereby.

(c) Severability of Interests (Cross Liability): The term "the insured" is used severally and not collectively, and the insurance afforded under the liability coverages applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.

(d) All policies shall provide that the insurance company shall give thirty (30) days' prior written notice to City of cancellation, non-renewal or reduction in coverage or limits, delivered to City at City's Notice Address.

7.7 <u>Delivery of Policies or Certificates</u>. On or before the Commencement Date, Permittee shall provide to City copies of its insurance certificates evidencing the above insurance, and, upon request, promptly provide copies of the required insurance policies.

7.8 <u>Subrogation</u>. Notwithstanding anything to the contrary herein, Permittee waives any right of recovery against City for any loss or damage to the extent the same is covered by Permittee's workers' compensation and property insurance. Permittee shall obtain from its insurer, if possible, a waiver of subrogation the insurer may have against City or any City Entity in connection with any Loss covered by Permittee's property insurance policy.

# 8. DEPOSIT

8.1 <u>Form of Deposit</u>. Within five (5) days after the Reference Date, Permittee will deliver to Director a security deposit (the "**Deposit**") in the Deposit Amount. The Deposit shall be in the form of (a) a certificate of deposit redeemable at a bank in the San Francisco Bay Area; (b) a certified check, certified by a bank or other financial institution protected by the FDIC; (c) a cashier's check from a bank or other financial institution protected by the FDIC; (d) a money order; (e) a surety bond payable to City, naming City as obligee, in form satisfactory to City's City Attorney, and issued by a surety company satisfactory to the Director, or (f) a letter of credit naming City as beneficiary, in form satisfactory to City's City Attorney, and issued by a bank satisfactory to the Director. The Deposit Amount shall be equal to nine (9) months of Permit Fees.

8.2 <u>Additional Security Deposit</u>. If Permittee should provide service to Itinerant Carriers, Director reserves the rights to require Permittee to provide additional Security Deposit equal to the an amount of six (6) months of fees associated with the operating fees, including but not limited to the following: (1) landing fees, (2) Passenger Facility Charges, (3) Cargo Fees (4) aircraft parking fees and passenger security fees acting as handling agent for Itinerant Carriers. Such Deposit requirements will be subject to the same requirements outlined in Section 8.1 Form of Deposit.

8.3 Use of Deposit. If Permittee fails to pay Permit Fees or otherwise defaults with respect to any provision of this Permit, City may use, apply or retain all or any portion of the Deposit for the payment of Permit Fees or other charge in default or for the payment of any other sum to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. If City so uses or applies all or any portion of the Deposit, Permittee, within ten (10) days after demand therefor, shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof. In the event the surety company or bank declines to renew or elects to cancel any bond or letter of credit comprising the Deposit, Permittee shall, at least fifteen (15) days prior to the expiration or cancellation date thereof, replace such bond or letter of credit with another bond or letter of credit. If Permittee fails to do so, City may, without notice to Permittee, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. City shall not be required to keep the Deposit separate from its general accounts. If Permittee performs all of Permittee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by City, shall be returned, without payment of interest or other increment for its use, to Permittee (or, at City's option, to the last assignee, if any, of Permittee's interest hereunder) upon the revocation or termination of this Permit. No trust relationship is created herein between City and Permittee with respect to the Deposit.

8.4 <u>Other Agreements</u>. If Permittee defaults with respect to any provision of any other agreement between City and Permittee, including the Other Agreements, City may use, apply or retain all or any portion of the Deposit for payment of any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. Likewise, if Permittee defaults with respect to any provision under this Permit, City may use, apply, or retain all or any portion of any deposit provided under any other agreement between City and Permittee, including the Other Agreements, for payment of any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. In the event the Deposit or any other deposit is so used, Permittee shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof.

# 9. DEFAULT; REMEDIES

9.1 <u>Event of Default</u>. The occurrence of any one or more of the following events shall constitute a breach of this Permit and an "**Event of Default**" hereunder:

(a) Permittee shall fail duly and punctually to pay Permit Fees, or to make any other payment required hereunder, when due to City, and such failure shall continue beyond the date specified in a written notice of such breach or default from Director, which date shall be no earlier than the **third** (3<sup>rd</sup>) day after the effective date of such notice. Notwithstanding the foregoing, in the event there occurs two (2) defaults in the payment of Permit Fees or other payment under this Permit, thereafter Permittee shall not be entitled to, and City shall have no obligation to give, notice of any further defaults in the payment of Permit Fees or other payment. In such event, there shall be deemed

to occur an "Event of Default" immediately upon Permittee's failure to duly and punctually pay Permit Fees or other payment hereunder; or

(b) Permittee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or

(c) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Permittee and shall not be dismissed within thirty (30) days after the filing thereof; or

(d) There shall occur a Transfer without the prior approval of City; or

(e) Permittee shall fail to provide the Deposit within five (5) days after the Reference Date or shall fail to maintain in full such Deposit at all times thereafter, and such failure shall continue for a period of more than three (3) days after delivery by Director of written notice of such failure; or

(f) Permittee shall fail to obtain and maintain the insurance required hereunder, or provide copies of the policies or certificates to City as required herein; or

(g) Permittee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Permit, and such failure shall continue for a period of more than **three** (3) **days** after delivery by Director of a written notice of such failure (the "First Notice"); or if satisfaction of such obligation requires activity over a period of time, if Permittee fails to commence the cure of such failure within three (3) days after receipt of the First Notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within thirty (30) days after the giving of the First Notice; or

(h) There shall occur a default under any other agreement between Permittee and City, including the Other Agreements, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that Permittee shall be entitled to additional notice or cure rights with respect to such default other than as may be provided in such other agreement.

9.2 <u>Remedies</u>. Upon the occurrence and during the continuance of an Event of Default, City shall have the following rights and remedies in addition to all other rights and remedies available to City at law or in equity:

(a) City may elect to terminate this Permit; and

(b) City may elect to terminate any other agreement between Permittee and City, including the Other Agreements, if any.

Nothing herein shall be deemed to limit City's right to revoke this Permit as provided in Section 2.2 [Revocation; Termination] of this Permit.

9.3 <u>City's Right to Perform</u>. All agreements and provisions to be performed by Permittee under any of the terms of this Permit shall be at its sole cost and expense and without any abatement of Permit Fees. If Permittee shall fail to pay any sum of money, other than Permit Fees, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after notice thereof by City, City may, but shall not be obligated to do so, and without waiving or releasing Permittee from any obligations of Permittee, make any such payment or perform any such other act on Permittee's part to be made or performed as provided in this Permit. All sums so paid by City and all necessary incidental costs shall be payable to City on demand.

9.4 <u>Cumulative Rights</u>. The exercise by City of any remedy provided in this Permit shall be cumulative and shall in no way affect any other remedy available to City under law or equity.

9.5 <u>Prepayment</u>. As provided in Section 4.5 [Prepay Permit Fees], if Permittee defaults in the payment of Permit Fees, City may require prepayment thereof. Such right shall be in addition to and not in lieu of any and all other rights hereunder, or at law or in equity.

9.6 <u>Fines</u>. If Permittee defaults under any of the Permit terms specified below, Director may elect to impose the fines described below on the basis of per violation per day:

VIOLATION	Section	Fine
Failure to cause operations or Premises to comply with Laws	6	\$300
Construction or Alterations without Director's approval	8	\$300
Failure to maintain required insurance	7	\$300
Failure to obtain or maintain Deposit	9	\$300
Unauthorized advertising or signage	12	\$300
Failure to keep the Premises in good condition and repair; clean and sightly, and free from trash	10	\$300

Director's right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules, or at law or in equity. City shall have no obligation to Permittee to impose fines on or otherwise take action against any other permittee or permittee at the Airport. THE PARTIES HAVE AGREED THAT A VIOLATION OF ANY OF THE ABOVE TERMS SHALL RESULT IN CITY INCURRING DAMAGES, WHICH ARE IMPRACTICAL OR IMPOSSIBLE TO DETERMINE. THE PARTIES HAVE AGREED THAT THE ABOVE FINES ARE A REASONABLE APPROXIMATION OF SUCH DAMAGES.

Violation

#### **10. HAZARDOUS MATERIALS**

10.1 <u>Definitions</u>. As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "**Environmental Laws**" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted.

(b) "**Hazardous Materials**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, also commonly known as the "Superfund" law, as amended (42 U.S.C. Sections 9601 et seq.) ("CERCLA"), or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and any materials listed in the Airport's TI Guide.

(c) "**Release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or any property.

10.2 <u>Permittee's Covenants</u>. Neither Permittee nor any Permittee Entity shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Airport, or transported to or from the Airport; provided that Permittee may use such substances as are customarily used in aviation support services so long as such use is in strict compliance with all applicable Environmental Laws and the Airport's TI Guide.

10.3 <u>Environmental Indemnity</u>. Permittee shall indemnify, defend, and hold harmless City from and against any and all Losses arising during or after the Term as a result of or arising from: (a) a breach by Permittee of its obligations contained in the preceding Section 10.2 [Permittee's Covenants], or (b) any Release of Hazardous Material from, in, on or about the Airport caused by the act or omission of Permittee or any Permittee Entity.

10.4 <u>Environmental Audit</u>. Upon reasonable notice, Director shall have the right but not the obligation to conduct or cause to be conducted by a firm acceptable to City, an environmental audit or any other appropriate investigation of Permittee's operations for possible environmental contamination issues. Permittee shall pay all costs associated with said investigation in the event such investigation shall disclose any Hazardous Materials contamination as to which Permittee is liable hereunder.

# 11. CITY AND OTHER GOVERNMENTAL PROVISIONS

11.1 <u>Charter</u>. The terms of this Permit shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco.

11.2 <u>Tropical Hardwood and Virgin Redwood Ban</u>. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environmental Code, Permittee shall not provide any items to the construction of Alterations, or otherwise in the performance of this Permit which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Permittee fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environmental Code, Permittee shall be liable for liquidated damages for each violation in any amount equal to Permittee's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

11.3 <u>No Representations</u>. Permittee acknowledges and agrees that neither City nor any person on behalf of City has made, and City hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Permittee at the Airport, including any statements relating to the potential success or profitability of such venture. Permittee represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Permit.

11.4 <u>Limitation on Damages</u>. Notwithstanding anything to the contrary herein, in no event will City or any City Entity be liable to Permittee or any Permittee Entity for any consequential, incidental, or special damages, or lost revenues or lost profits.

11.5 <u>Sponsor's Assurance Agreement</u>. This Permit shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or any like agreement heretofore or hereinafter entered into by City and any agency of the United States of America.

11.6 Federal Nondiscrimination Regulations. Permittee understands and acknowledges that City has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A - Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to City for certain Airport programs and activities, and that City is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than City, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Permittee agrees as follows: "Permittee in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended."

11.7 <u>Federal Affirmative Action Regulations</u>. Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Permittee assures that it will require that its covered sub-organizations provide assurances to Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

11.8 <u>Nondiscrimination Requirements</u>. In the performance of this agreement, Permittee agrees not to discriminate against any employee, City and County employee working with Permittee, applicant for employment with Permittee, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

11.9 <u>Conflict of Interest</u>. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and certifies that it knows of no facts in connection with this Permit which constitute a violation of said provisions. It further certifies that it will make a complete disclosure to Director, if necessary, of all facts within its reasonable knowledge bearing upon any possible interest, direct or indirect, which it believes a member of the Airport Commission or other officer or employee of City presently has or will have in this Permit or in its performance. Willful failure of Permittee to make such disclosure, if any, to City shall constitute grounds for termination of this Permit.

11.10 <u>Declaration Regarding Airport Roads</u>. Permittee hereby acknowledges and agrees that all roads existing at the date of execution hereof within the boundaries of the Airport, as shown on the current official Airport plan and as it may be revised, are the private property and private roads of the City and County of San Francisco, with the exception of that portion of the old Bayshore Highway which runs through the southern limits of the City of South San Francisco and through the northern portion of the Airport to the intersection with the North Airport Road as shown on said Airport Plan, and with the exception of that portion of the North Airport Road which runs from the off and on ramps of the State Bayshore Freeway to the intersection with said old Bayshore Highway as shown on said Airport Plan. It further acknowledges that any and all roads hereafter constructed or opened by City within the Airport boundaries will be the private property and road of City, unless otherwise designated by appropriate action.

11.11 <u>Drug-Free Workplace</u>. Permittee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled

substance is prohibited on City premises. Any violation of this prohibition by Permittee or any Permittee Entity shall constitute a default hereunder.

11.12 <u>Compliance with Americans With Disabilities Act</u>. Permittee acknowledges that, pursuant to the ADA and the ACAA, to the extent applicable to Tenant, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. To the extent the ADA or the ACAA is so applicable: (a) Permittee shall provide the services specified in this Permit in a manner that complies with the ADA or the ACAA, as applicable, and any and all other applicable federal, State, and local disability rights legislation, including but not limited to, Titles II and III of the Americans with Disability Act of 1990 (42 U.S.C. Section 12101 et seq.), the Air Carrier Access Act, 49 U.S.C. Section 41705 et seq., Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section y94 et seq.), 28 CFR Parts 35 and 36, and 49 CFR Parts 27, 37, and 38; (b) Permittee agrees not to discriminate against disabled persons in the provision of services, benefits, or activities provided under this Permit; and (c) Tenant further agrees that any violation of this prohibition on the part of Permittee, its employees, agents, or assigns shall constitute a material breach of this Permit.

11.13 <u>Pesticide Prohibition</u>. Permittee shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Permittee to submit to the Airport an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Permittee may need to apply to the Premises during the terms of this Permit, (b) describes the steps Permittee will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Permittee's primary IPM contact person with the City. In addition, Permittee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

11.14 <u>Airport Intellectual Property</u>. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

11.15 <u>MacBride Principles – Northern Ireland</u>. Pursuant to San Francisco Administrative Code §12.F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Operator acknowledges that he or she has read and understood this section 11.16 <u>Sunshine Ordinance</u>. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, Agreements, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

11.17 <u>First Source Hiring</u>. Operator shall comply with the San Francisco First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264-98) in cooperation with the Airport Commission Office of Employment and Community Partnerships pursuant to the First Source Hiring Agreement entered into between the Airport Commission and the Operator concurrently herewith, and incorporated herein by reference.

11.18 Food Service Waste Reduction Requirements. Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

11.19 Notification of Limitations on Contributions. By executing this Permit, Permittee acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code (the "Conduct Code"), which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from any department of the City from making any campaign contribution to (a) a City elected official if the Permit must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the Permit until the later of either the termination of negotiations for the Permit or twelve (12) months after the date the City approves the Permit. Permittee acknowledges that the foregoing restriction applies only if this Permit or a combination or series of permits or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of One Hundred Thousand Dollars (\$100,000) or more. Permittee further acknowledges that: (i) the prohibition on contributions applies to each prospective party to the Permit; any person on Permittee's board of directors, any of Permittee's principal officers (including its chairperson, chief executive officer, chief financial officer, chief operating officer) and any person with an ownership interest of more than ten percent (10%) in Permittee; any sub-permittee listed in the Permit; and any committee that is sponsored or controlled by Permittee; and (ii) within thirty (30) days of the submission of a proposal for the Permit, the City department with whom Permittee is contracting or permitting space is obligated to submit to the Ethics Commission the parties to the Permit and any sub-permittee. Additionally, Permittee certifies that it has informed any member of its board of directors and any of its principal officers, including its chairperson, chief executive officer, chief financial officer, chief operating officer, any person with an ownership interest of more than 10% in Permittee, and any sub-permittee listed herein of the limitation on contributions imposed by Section 1.126 of the Conduct Code by the time it submitted a proposal for this Permit, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

## 12. GENERAL PROVISIONS

12.1 <u>Notices</u>. Except as otherwise specifically provided in this Permit, any notice, demand, or other correspondence given under this Permit shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) Permittee at Permittee's Notice Address; or (b) City at City's Notice Address; or (c) such other address as either Permittee or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received and effective two (2) days after the date when it is mailed, if sent by first-class, certified mail, one day after the date when it is mailed if sent by Express Mail, or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given be facsimile to the number set forth in the Summary or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

12.2 <u>No Implied Waiver</u>. No failure by either party to insist upon the strict performance of any obligation of the other party under this Permit or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver.

12.3 <u>Entire Agreement</u>. The parties intend that this Permit (including all of the attached exhibits, which are made a part of this Permit) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Permit shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Permit.

12.4 <u>Amendments</u>. Except as specifically provided herein, neither this Permit nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

12.5 <u>Interpretation of Permit</u>. The captions preceding the articles and sections of this Permit and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Permit. This Permit has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Permit. Provisions in this Permit relating to number of days shall be calendar days. Use of the word "including" shall mean "including, without limitation." References to statutes, sections, ordinances or regulations are to be construed as including all statutory, ordinance, or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section, ordinance or regulation.

12.6 <u>Successors and Assigns</u>. Subject to the provisions of Section 5 [Assignment], the terms, covenants and conditions contained in this Permit shall bind and inure to the benefit of Permittee and City and, except as otherwise provided herein, their personal representatives and successors and assigns.

12.7 <u>No Third-Party Beneficiaries</u>. There are no third-party beneficiaries to this Permit.

12.8 <u>No Joint Venture</u>. It is expressly agreed that City is not, in any way or for any purpose, a partner of Permittee in the conduct of Permittee's business or a member of a joint enterprise with Permittee, and does not assume any responsibility for Permittee's conduct or performance of this Permit.

12.9 <u>Severability</u>. If any provision of this Permit or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Permit, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Permit shall be valid and be enforceable to the full extent permitted by law.

12.10 <u>Governing Law</u>. This Permit shall be construed and enforced in accordance with the laws of the State of California.

12.11 <u>Attorneys' Fees</u>. In the event that either City or Permittee fails to perform any of its obligations under this Permit or in the event a dispute arises concerning the meaning or interpretation of any provision of this Permit, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

12.12 <u>Cumulative Remedies</u>. All rights and remedies of either party hereto set forth in this Permit shall be cumulative, except as may otherwise be provided herein.

12.13 <u>Time of Essence</u>. Time is of the essence with respect to all provisions of this Permit in which a definite time for performance is specified.

12.14 <u>Survival of Indemnities</u>. Expiration or termination of this Permit shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Permit, nor shall it affect any provision of this Permit that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Permit, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee.

12.15 <u>Joint and Several Liability</u>. The liabilities hereunder of the entities and/or person(s) comprising Permittee shall be joint and several.

12.16 <u>Authority</u>. If Permittee signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Permit on behalf of Permittee does hereby covenant and warrant that Permittee is a duly authorized and existing entity, that Permittee has and is duly qualified to do business in California, that Permittee has full right and authority to enter into this Permit, and that each and all of the persons signing on behalf of Permittee are authorized to do so. Upon City's request, Permittee shall provide City evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

12.17 <u>Counterparts</u>. This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Permit as of the Reference Date.

<b><u>PERMITTEE</u>:</b> [Signatories also to initial Summary]	a,
	By
	By:
	Name:
	Title:
[Signatories also to initial Summary]	CITY AND COUNTY OF SAN FRANCISCO,

[Signatories also to initial Summary] a municipal corporation,

acting by and through its Airport Commission

By: \_\_\_\_\_\_ Ivar C. Satero Airport Director

APPROVED AS TO FORM: DENNIS J. HERRERA City Attorney

By: \_\_\_\_\_ Deputy City Attorney

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## EXHIBIT A

# PERMITTED SERVICES, DESIGNATED AREAS, AND ADDITIONAL TERMS AND CONDITIONS

(Only the approved services will be selected, deleting the others.)

# **Aircraft Servicing**

#### I. Description of Permitted Service:

Aircraft Cleaning – Clean and tidy the interior and exterior of aircraft Water Services – Replenish water tanks with drinking water Lavatory Services – Empty, clean, flush and replenish lavatory fluids Cooling/Heating Service – Provide heating and cooling to aircraft, as required Cabin Equipment Service – Provisioning of cabin equipment items provided by carrier Catering service – Unload, load and stow catering loads on/off aircraft

**II. Designated Area(s):** Permittee shall provide permitted services to carriers under contract at any designated aircraft parking area.

# **Cargo and Mail**

#### I. Description of Permitted Service:

Post Office Mail – Mail handling and the distribution of documentation, in accordance with the US Postal Service and the International Air Transport Association regulations

Cargo Handling – Export/Import Cargo – Breakdown / Buildup of cargo, security screening, document processing and US Customs control

Transfer Cargo – Accept/prepare transfer cargo for onward carriage

**II. Designated Area(s):** These services shall only be provided at Airport Approved Cargo and Mail designated areas.

# **Maintenance – Aircraft and General Services Equipment**

#### I. Description of Permitted Service:

Aircraft Maintenance – Routine and non-routing maintenance of aircraft including repairs and inspections.

Ground Service Equipment Maintenance – Services related to the maintenance and repair of ground service equipment.

II. Designated Area(s): Only minor on-call emergency maintenance, which can be accomplished in a quick and efficient manner, shall be allowed at the terminal complex. Extensive maintenance or inspections must be performed at an Airport designated maintenance area.

# **Passengers and Baggage**

#### I. Description of Permitted Service:

Passenger Check-in / Skycap Services – Examination of tickets and other documents, assignment of seats and the receipt and dispatch of baggage

Ticketing - Same day and future issuance of tickets

Baggage Service – Handle claims of passenger lost and damaged articles and bags

Wheelchair Services – Transfer of passengers on Airport via wheelchair or other personal mobility devices

Lounge Services – Staffing and operation of an airport lounge

#### **II. Designated Area**(s):

**III.** Additional Terms and Conditions Applicable to this Permitted Service: Permittee shall cause its personnel and employees to maintain the Airport's established passenger handling standards as outlined in the Air Carrier Entry Package.

# **Operations**

#### I. Description of Permitted Service:

Load Control – Convey and deliver flight documents, load sheets, balance charts and manifests

Communications – Dispatch and receive all messages in connection with services performed by Service Provider

Flight Operations and Crew Administration – Provision meteorological documentation and aeronautical information for each flight. Prepare and make available operational flight plan. Maintain trip file by collecting all documents specified by Carrier.

#### **II.** Designated Area(s):

# **Ramp Service**

## I. Description of Permitted Service:

Marshaling - Provide for marshaling at arrival and/or departure

Parking - Position and provide parking equipment as required

Load and Unload – Provide equipment and personnel necessary to load and unload passengers, cargo and baggage from carriers' aircraft

Receipt and Dispatch – Tow in and /or push out aircraft

Fueling – The delivery, quality control and/or into plane of aviation fuel

## **II.** Designated Area(s):

# **Security**

#### I. Description of Permitted Service:

Checkpoint Screening – Arrange for security clearance of passengers and unchecked baggage prior to boarding aircraft

Airport Operations Area Perimeter Control – Arrange for the control of access to the Airport Operations Area

#### **II.** Designated Area(s):

# Maintenance – Jetbridge and Baggage Handling System Equipment

# I. Description of Permitted Service:

Equipment Maintenance – Services related to the maintenance and repair of baggage handling systems, passenger boarding bridges, and associated equipment.

**II. Designated Area(s):** Only minor on-call emergency maintenance, which can be accomplished in a quick and efficient manner, shall be allowed at the terminal complex.

# **Ramp Scrubbing**

## I. Description of Permitted Service:

Ramp Scrubbing Maintenance Services – Services related to the routine and non-routine scrubbing and related maintenance of the ramp areas.

## **II. Designated Area**(s):

## III. Additional Terms and Conditions Applicable to this Permitted Service:

Permittee is only authorized to provide ramp scrubbing maintenance services under this Exhibit in Terminal \_\_\_\_\_, Boarding Area \_\_\_\_, and
# <u>Custodial</u>

# I. Description of Permitted Service:

Custodial Services – Services related to the routine and non-routine cleaning of space in the ramp areas, terminal areas, and outlying non-terminal Airport buildings and locations.

\_\_\_\_\_

# II. Designated Area(s):

# III. Additional Terms and Conditions Applicable to this Permitted Service:

# EXHIBIT B

# **QUALITY STANDARDS PROGRAM**



San Francisco International Airport

# <u>Quality Standards Program:</u> <u>Safety and Security</u>

March 1, 2016

San Francisco International Airport Quality Standards Program March 1, 2016 Page 1 of 6

#### I. <u>Overview</u>.

In 1999, the San Francisco Airport Commission first adopted the Quality Standards Program ("**QSP**" or "**Program**") and incorporated the Program into the Airport Rules and Regulations. The purpose of the Program is to enhance safety and security at San Francisco International Airport (the "**Airport**"). The Program applies to any firm, including airlines and service providers, which employs personnel involved in performing services which directly impact safety and/or security at the Airport (collectively, "**Covered Employers**").<sup>1</sup>

All Covered Employers must fully comply with the Program's directives. Airlines contracting directly with service providers must incorporate the general standards of the Program into their service level agreements. The Program in no way limits or alters the obligation of Covered Employers to comply with applicable Airport operating requirements, including those in their respective leases and permits, the Airport Rules and Regulations, any Airport Directives and/or any applicable law or regulation.

The Program is designed to ensure that Covered Employers safely deliver high quality service to the Airport community through the implementation of minimum standards for safety, equipment and vehicle maintenance, and employee hiring, training and compensation and benefits. The Airport's number one Core Value is *Safety and Security is our First Priority*.

#### II. <u>General Standards</u>.

Section	General Standards
Safety Program	Implementation of a Safety Program with the following components: (a) Safety Policy; (b) Risk Analysis; (c) Safety Promotion; and (d) Safety Performance. The Safety Program must include a non-retaliation policy.
• Health	Covered Employers must meet all applicable federal and state Occupational Safety and Health standards and implement an Injury and Illness Prevention Program (IIPP) that meets the requirements of California regulations. Covered Employers must deliver to the Airport all Cal/OSHA inspection results and/or citations related to operations at the Airport within 5 days of a Covered Employer's receipt thereof.
Hiring Practices	High School Diploma, High School Equivalency Certificate or equivalent work experience.

The Program focuses on the following six general areas: Safety; Health; Hiring Practices; Training; Equipment Standards; and Compensation and Benefits.

<sup>&</sup>lt;sup>1</sup> While some food and beverage and retail concessionaires have Airfield Operations Area ("AOA") access for use of trash compactors, such concessionaires are not included under the definition of "Covered Employers".

Demonstrated English language competency needed for safe, secure, and effective job performance and Airport operations.

- **Training** Initial Training Program, Recurrent Training Program and record retention guidelines. Training Programs must include emergency preparedness and evacuation procedures, and, where applicable, documentation of ground service equipment training related to equipment used.
- Equipment Standards

   A Routine Preventative Maintenance Program.
   A defined matrix for response time for non-routine maintenance. A daily User Check Log that is readily available and posted in an area easily accessible to employees. All new or replacement vehicles operating on Airport property must be clean, serviceable, and in good working condition with fully functioning safety equipment.

   Compensation and Benefits

   Minimum hourly wage is at all times \$0.50 an hour

mpensation and BenefitsMinimum hourly wage is at all times \$0.50 an hour<br/>above the current San Francisco Minimum<br/>Compensation Ordinance ("MCO") rate. Must<br/>comply with San Francisco Health Care<br/>Accountability Ordinance ("HCAO") minimum<br/>health coverage standards.

# III. Safety Program.

Each Covered Employer must implement and maintain a Safety Program covering its operations at the Airport, which shall include the four components listed below. Each Covered Employer must provide evidence of its Safety Program to the Airport (i) on a scheduled basis as determined by the Airport occurring not less frequently than once every two years, and (ii) at any other time that the Airport should so request. Covered Employers shall refer to Attachment B for additional details regarding the Airport's safety requirements.

**A.** Safety Policy – The Safety Program must clearly state the organization's safety objectives and set forth the policies, procedures, and organizational structures necessary to accomplish the regular practice of safety objectives.

**B. Risk Analysis** – The Safety Program must set forth procedures for the identification, assessment and mitigation of hazards associated with the services provided by the organization at the Airport. The Safety Program must include a non-retaliation policy for employees who report hazards (*See* Section VI-F below).

**C.** Safety Promotion – The Safety Program must include training programs, communication systems and other proactive measures designed to promote safety amongst the organization and its employees.

San Francisco International Airport Quality Standards Program March 1, 2016 Page 3 of 6

**D.** Safety Performance – The Safety Program must include methods for the collection, analysis, and assessment of data regarding the organization's safety performance at the Airport. Safety performance metrics relating to employee safety, operational safety and ground equipment performance shall be logged on a rolling monthly basis on a scorecard in the form attached as Attachment C, which monthly scorecards shall be maintained by the organization for a period of not less than five (5) years. Scorecards will be retained by the Airport in accordance with its Record Retention and Destruction Policy and will be made publicly available upon request.

# IV. <u>Compensation and Benefits</u>.

Covered Employers are required to provide a minimum compensation and benefits offering to employees engaged in services covered under the QSP. The implementation of a compensation and benefits package in response to the Program shall not result in the reduction of the overall value of the existing compensation and benefits program.

A bona fide Collective Bargaining Agreement (CBA) between covered employers and labor organizations representing covered employees shall take precedence over all or any portion of the QSP compensation and benefits requirements, provided that (a) the CBA or side agreement includes a wage rate applicable to covered employees at least equal to the QSP compensation rate as provided below and (b) such waiver is set forth in such agreement in clear and unambiguous terms.

Covered Employees employed prior to August 19, 2009, who have opted out of health insurance and, in lieu thereof, have been receiving an additional \$1.25 per hour to the QSP minimum rate, shall not have their compensation reduced by the QSP provided that they submit proof of health care coverage from another source by April 1, 2010, and thereafter on an annual basis.

Except as specifically provided hereinabove with reference to Covered Employees employed prior to August 19, 2009, the provisions of the QSP shall otherwise apply in all respects to Covered Employees.

A. Compensation. The QSP rate shall increase such that it remains at all times \$0.50 above the current San Francisco Minimum Compensation Ordinance ("MCO") rate. The Airport Director will provide an annual notice of the updated QSP minimum wage rate. Covered Employers shall post the notice in a breakroom or other area easily accessed by their employees.

**B.** Benefits. Covered Employers shall provide twelve (12) paid days off and ten (10) unpaid days off per year per the MCO. All Covered Employers must comply with the San Francisco Health Care Accountability Ordinance ("HCAO") minimum health coverage standards. Health coverage must become effective thirty (30) days after the first day of work for all Covered Employees.

**C. Health Care Accountability Ordinance Waiver.** Under the HCAO, employees may voluntarily waive the health care coverage offered by an employer if the employee signs a voluntary waiver and provides a current copy of insurance certifying that s/he has health care coverage from another source. This proof of insurance coverage must be submitted annually to

San Francisco International Airport Quality Standards Program March 1, 2016 Page 4 of 6

the employer and be available for inspection by Airport staff or QSP auditor. Covered Employees may revoke this voluntary waiver at any time. Under the QSP, a Covered Employer is not required to pay a fee to the City if an employee signs such voluntary waiver or when a CBA takes precedence over the QSP benefit requirements.

# V. <u>Types of Employees Covered by the Program</u>.

The Program is applicable to employees of Covered Employers who: (1) require the issuance of an Airport badge with Airfield Operations Area ("**AOA**") access <u>and</u> work in and around the AOA in the performance of their duties; or (2) are directly involved in passenger and facility security and/or safety, including but not limited to checkpoint screening, passenger check-in, skycap and baggage check-in and handling services, custodial services, and AOA perimeter control (collectively, "**Covered Employees**") as further specified below. The Program is applicable to all existing Covered Employers as well as new entrants.

**A. Those Impacting Security**: Employees in this category include those directly engaged in performing checkpoint security screening, passenger check-in activities, skycap and baggage check-in and handling services, and AOA perimeter control.

The federal Transportation Security Regulations ("**TSR**"), notably 49 CFR Part 1544, set forth basic requirements related to security for certain Covered Employers. The Airport has developed enhanced quality standards for Covered Employers in this category to ensure the highest level of security at SFO. Standards will be deemed updated to reflect changes in the TSR which may be pertinent to the application of the QSP to Covered Employees.

Standards for Covered Employers in this category are set forth on Attachment A.

**B.** Those Impacting Safety: Employees in this category include those directly engaged in activities, which may impact safety within the AOA. These employees include but are not limited to the following:

- 1. Employees providing ramp handling functions including aircraft cleaning, fueling, and baggage/cargo handling;
- 2. Employees located on Airport property and the surrounding areas who are directly involved in the preparation and/or transportation of food and beverage products delivered directly onto aircraft on the AOA;
- 3. Other employees issued an Airport badge with AOA access working in and around the AOA in the performance of their duties, including maintenance of Aircraft, Ground Service Equipment, Baggage Handling Systems, Passenger Boarding Bridges and custodial services.

Standards for Covered Employers in this category are on Attachment B.

San Francisco International Airport Quality Standards Program March 1, 2016 Page 5 of 6

#### VI. <u>Process</u>.

#### A. Initial Certification.

A certification process will include meeting with Airport staff to review the Program. The criteria outlined in the QSP, including Attachments A, B and C, will be reviewed with each Covered Employer by the Airport's Airfield Operations and Aviation Security staff.

When staff is satisfied that a Covered Employer is in compliance with the Program, an operating permit will be issued. Any airline desiring to contract for services covered under the Program with a third party vendor that has not yet been certified must contact Aviation Management to begin the review process. The operating permit will outline the permitted services as well as the conditions under which business must be conducted at the Airport. All lessees and permittees at SFO are required to comply with the Airport Rules and Regulations and other applicable laws pursuant to their respective agreements.

# B. Annual Certification and Audit Rights.

Each year, each Covered Employer must attend a QSP Training Session that will be conducted by Airport staff. At least 30 days prior to each QSP Training Session, each Covered Employer must deliver to the Airport Director a statement certifying that it is in compliance with the Program. The Airport reserves the right to review and audit such compliance at any time. Airport staff will conduct all audits to ensure continuing compliance. At the Airport's request, Covered Employers must deliver to Airport staff all materials related to safety, training and any other program required by the QSP. If at any time a Covered Employer is found to be out of compliance, the Airport will give written notice to the Covered Employer and allow a reasonable cure period to address the noted deficiency, unless such deficiency is considered an endangerment, at which point operations must cease until the deficiency is corrected. Such notice to third party Covered Employers will include a copy to all known airlines contracting for the Covered Employer's service at the Airport. Covered Employers shall post such notices in a breakroom or other area easily accessed by their employees.

# C. Default.

Any non-compliance with the Program will be considered a default under the Covered Employer's agreement with the Airport. If the default is not cured within the time period specified in the Airport's notice, the Airport may exercise all remedies available to it including but not limited to the imposition of fines and the termination of any and all agreements with the Airport.

# D. Non-Compliance.

Upon receipt of any notice of non-compliance with the Program, the Covered Employer must promptly take action to cure such non-compliance. If the non-conformance is not cured within the time period specified in the Airport's notice, the Airport may exercise all remedies available to it including but not limited to the imposition of fines, restitution for employee back San Francisco International Airport Quality Standards Program March 1, 2016 Page 6 of 6

wages, interest on all due and unpaid wages (per applicable law) and the termination of any and all agreements with the Airport.

#### E. Fines.

If a Covered Employer defaults with respect to any requirement of the Program, the Airport Director may elect to impose a fine equal to \$1,000.00 per violation / employee, per day. The Airport's right to impose such fines shall be in addition to and not in lieu of any and all other rights available to the Airport. Such fine amount may be increased from time to time at the discretion of the Airport Director. Fine notices delivered by the Airport under this Section shall be posted by the employer in a breakroom or other area easily accessible to its employees. Fines imposed under this Section will be shared publicly by the Airport.

# F. Employer Retaliation Prohibited.

Covered Employers shall not discharge, reduce in compensation, or otherwise discriminate or retaliate against any covered employee for notifying the Airport about a Covered Employer's noncompliance or anticipated noncompliance with the Program, for opposing any practice mandated by the Program, for participating in proceedings related to the Program, or for asserting his/her rights under the Program by any lawful means. The Airport will provide an anonymous QSP hotline for employee complaints and safety concerns and will respond to such complaints or concerns within 72 hours.

# G. Severability.

Should a court of competent jurisdiction determine that any provision or any application of any provision of the QSP be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other provision which can be given effect without the invalid or unenforceable provision, and to this end the provisions of this QSP shall be considered severable.

# Attachment A

# AIRPORT QUALITY STANDARDS PROGRAM Covered Employers Impacting Aviation Security

# 1. General Standards

- a. Provide a local management (in most cases, the "Authorized Signatory") point of contact, telephone number and email, and immediately notify Aviation Security of any changes.
- b. The Authorized Signatory will be the responsible representative and prime point of contact with the Airport's Security Access Office.
- c. Once assigned, the Authorized Signatory will attend the Airport's Authorized Signatory Training.
- d. Provide name, 24-hour telephone and email of Company Security Director or Manager, and immediately notify Aviation Security of any changes.
- e. Provide telephone notification to the Security Access Office of:
  - i. terminated employees;
  - ii. lost/stolen badges; and
  - iii. lost/stolen Airport-issued security keys.
- f. Within 24 hours, return terminated employee Airport I.D. badges and (if applicable) Airport-issued security keys to the Security Access Office.

# 2. <u>Personnel</u>

- a. Background investigation requirements include:
  - i. All employees must undergo and pass TSA Criminal History Records Checks and Security Threat Assessment prior to issuing an Airport I.D. badge.
  - ii. If company mandated drug testing is performed, provide name and address of the facility and frequency.

# 3. <u>Training</u>

- a. Company personnel must complete Airport training which includes a computer-based Security Identification Display Area (SIDA) training, for AOA-badge applicants, or computer-based Security Awareness Training for Sterile and Terminal badge applicants.
- b. Describe and provide sample materials from employee orientation training program that includes:
  - i. Airport Rules and Regulations;
  - ii. SFO "Security Enforcement Program";
  - iii. SFO "Use of Airport ID Media and "ESCORT" Authority Procedures;
  - iv. Other relevant Airport Operations Bulletins or Security Directives;
  - v. For employees with AOA access, pedestrian safety training highlighting all hazards including moving vehicles, jet bridge movement areas, and the purpose of warning bells and warning lights.

# 4. <u>Equipment Standards</u>

Provide the SFIA Security Access Office an inventory listing of all motorized equipment annually by July 15<sup>th</sup>.

# Attachment B

# AIRPORT QUALITY STANDARDS PROGRAM Covered Employers Impacting Airfield Safety

#### 1. General Standards

- a. Provide a site (on or adjacent to the Airport) for scheduled and unscheduled repairs and maintenance of company equipment.
- b. Secure Airport approval for an area to stage equipment when not in use.
- c. Supply Airport with names, titles and 24-hour phone numbers of management and shift supervisory personnel.
- d. Within 24 hours, return terminated employee Airport I.D. badge and (if applicable) Airport-issued security keys to Security Access Office.
- e. Provide employees with personal protective equipment required by California Occupational Safety and Health (Cal/OSHA) standards and all other applicable law.

#### 2. <u>Personnel</u>

- a. Company personnel who perform job functions in the covered categories must meet the following criteria:
  - i. High School graduate, High School Equivalency Certificate, or equivalent work experience;
  - ii. Demonstrated English language competency needed for safe, secure, and effective job performance and Airport operations.
- b. Personnel whose job duties require operation of a motor vehicle on the Airfield must also:
  - i. Possess a valid Driver's License issued by the State of California or other state that meets the Airport's requirements;
  - ii. Successfully complete all Airport Security Access Office requirements (training & tests) to obtain Airport AOA driving privileges;
  - iii. Cannot have a reckless driving or DUI conviction within previous 24 months.
- c. Companies with personnel who operate motor vehicles on the Airfield must also enroll in the "Pull Program" of California and each additional state issuing a driver's license to a Covered Employees to receive notification should their personnel lose driving privileges.

# 3. <u>Training</u>

- a. In addition to TSA mandated SIDA training administered by the Airport, covered companies must have an approved new employee training program that includes Airport Rules and Regulations governing:
  - i. Security Awareness & Security Identification Display Area (SIDA) requirements;
  - ii. Vehicle Operations;
  - iii. Aircraft Operations;
  - iv. Hazardous Materials Handling Procedures;
  - v. Litter, FOD, and Debris Control.
- b. Training programs must also include:
  - i. Safety Program overview;
  - ii. Ground service equipment operation;
  - iii. Safe driving on the AOA (video);
  - iv. Interline baggage operations;
  - v. Pedestrian safety training highlighting all hazards including moving vehicles, jet bridge movement areas, and the purpose of warning bells and warning lights;
  - vi. Training on provisions of Airport Vehicle Impound Program;
  - vii. Fueling / fuel spill procedures;
  - viii. Movement Area Operations training, as applicable to service provided;
  - ix. Airport emergency and evacuation procedures;
  - x. Cal/OSHA Safety and Health Training as applicable.

# 4. <u>Recurrent Training</u>

- a. Must conduct recurrent training on a minimum of an annual basis;
- b. Must conduct formal safety meetings on a minimum of a monthly basis.

# 5. <u>Equipment Standards</u>

- a. Maintenance must have a GSE (Ground Service Equipment) Preventative Maintenance Program that includes the following:
  - i. Paint refresh and body damage repair program;
  - ii. Equipment must be clean and in sanitary condition;
  - iii. Periodic safety inspection schedules for each type of motorized equipment;
  - iv. Procedures for taking mechanically unsound and/or unsafe equipment "out of service" and returning to service following repair;
  - v. Daily User Check Program for each type of motorized equipment. This checklist must include provisions for inspection of:
    - Tires
    - Head, tail and brake lights
    - Horn
    - Parking brake
    - Handrails and guards
    - Walk-around fluid leak check

- Seatbelt
- All other safety equipment
- b. Maintain all GSE maintenance records for the lifetime of the vehicle.
- c. Inventory provide the SFIA Security Access Office an inventory listing of all motorized equipment annually by July 15<sup>th</sup>.
- d. Will be subject to the provisions/standards contained in the Airport Ground Support Equipment Safety Inspection Program (GSESIP).

#### 6. Quality Standards - Handling Service Providers - Management and Oversight

- a. Each vendor shall establish and carry out an internal quality assurance program to include:
  - i. A procedure to monitor performance, including incident reports and personnel feedback, to identify existing problems or potential causes of problems in assigned security duties;
  - ii. A procedure for corrective action to ensure that existing problems that have been identified are corrected;
  - iii. A procedure for preventive action to ensure that potential causes of problems that have been identified are remedied;
  - An internal audit program to audit the vendor's organization for compliance with (1) Federal regulations and security programs and (2) Airport requirements;
  - v. Unless otherwise authorized by the Airport, a director of quality assurance who is independent from operations and training functions and who manages the quality assurance program;
  - vi. Must have a representative in attendance at monthly ramp safety meetings.
- b. Annually, and upon change of assignment or required information, each Covered Employer shall identify to the Airport the name, address, telephone, fax number, and e-mail address, if applicable, of a regional or corporate employee performing the quality assurance functions identified above.
- c. All permitted use space must be maintained in a clean and safe condition. Ramp areas must be scrubbed as needed, fence lines clear of trash and any outside equipment storage/maintenance areas maintained in a professional manner.

# Attachment C

# Airport Quality Standards Program Safety Scorecard

*Instructions:* The following are minimum requirements for airlines and service providers. Please note immediate responses or preventive actions that have been taken. Use additional pages as necessary.

#### Service Provider: \_\_\_\_\_

Period Covered: \_\_\_\_\_\_ to \_\_\_\_\_

Employee Safety:	<b>Current Month</b>	Year-to-Date
Injury rate (Per OSHA definition)		
SFO Citations Received		
SFO Commendations Received		
Operational Safety:		
Safety Audits		
Accidents		
Personnel		
Vehicle		
Facility		
SF0 Citations Received		
Ground Equipment:		
Daily Average of Motorized Equipment Out of Service		
Motorized Out of Service Rate*		
<ul> <li>Daily Average of Non-motorized Equipment Out of Service</li> </ul>		
Non-motorized Out of Service Rate*		
SFO Airport GSESIP inspection score: Date:		

*Note:* Airport reserves the right to request a current or a past scorecard at any time. \*(Calculation: Number Out of Service / Total Number of Equipment)

Immediate Response or Preventive Actions: