

REVOCABLE PERMIT NO. 5840
AMPCO SYSTEM PARKING
KONA INTERNATIONAL AIRPORT AT KEAHOLE
SPECIAL TERMS AND CONDITIONS

1. **RENTAL**
Due on the 20th of the following month, a percentage rental of seventy percent (70%) of the Permittee's monthly gross receipts.
2. **Security Deposit:** Performance Bond for Lease No. DOT-A-95-15 equal to one-sixth (1/6) of the minimum annual guaranteed payment specified for the fourth (4th) and final contract year as established by the Lease shall be maintained and in force throughout the term of the permit.
3. Subject to Paragraphs 1 and 2 of the Terms and Conditions of the Permit, all covenants, restrictions, terms and conditions of Lease No. DOT-A-95-15 are hereby, incorporated herein by reference, and made a part hereof. Except as provided herein, should there be any conflict between the covenants, restrictions, terms and conditions contained in Lease No. DOT-A-95-15 and the Terms and Conditions of the Permit, the terms of the Lease shall control and prevail.
4. Item No. 5 (Interest on Delinquent Rentals) is hereby deleted and the following is substituted in lieu thereof:
 5. **Interest: Service Charge:** Without prejudice to any other remedy available to the State, Permittee agrees without further notice or demand, as follows:
 - a. To pay interest at the rate of one percent (1%) per month, compounded monthly, on all delinquent payments.
 - b. To pay a service charge of \$25.00 a month, or such other charge as may be prescribed by rules adopted by the State, provided that in no event shall a service charge in excess of \$50.00 a month be levied under this agreement.
 - c. That the term "delinquent payments" as used herein means any payment of rent, fees, service charges, or other charges payable by Permittee to State, which are not paid when due.

TERMS AND CONDITIONS

1. **Term.** This Permit is granted on a month-to-month basis only, for a period not to exceed one year from the effective date hereof. Any renewal of this Permit shall be on a month-to-month basis for a period not to exceed one year. Notice of renewal need not be reduced to writing, it being agreed that such renewal shall be automatic unless a party hereto shall give the other party ten (10) days' notice of its intention not to renew or unless the Board of Land and Natural Resources shall fail to approve the renewal.

2. **Termination.** This Permit may be terminated by either party without cause upon thirty (30) days' advance written notice.

3. **Change in Rent.** The DEPARTMENT reserves the right to increase or decrease the monthly rental at any time upon thirty (30) days' advance written notice.

4. **Payment of Rent.** Without notice or demand, the PERMITTEE shall pay, at the Fiscal Office of the Airports Division, Department of Transportation, Honolulu, Hawaii, or at the Airport District Manager's office of the above named AIRPORT, the sum hereinbefore set forth upon the execution of this Permit and on the first (1st) day of each and every month thereafter during the remainder of the life of this Permit or until it is terminated or revoked as provided herein.

~~5. **Interest on Delinquent Rentals.** Without prejudice to any other remedy available to the DEPARTMENT, a charge at the rate of one per cent (1%) per month shall be assessed against the PERMITTEE for any rentals and other charges not paid when due and such sum shall continue to be assessed against the PERMITTEE until the principal sum thereof is paid in full.~~

6. **Acceptance of Rent not a Waiver.** The acceptance of rent by the DEPARTMENT shall not constitute a waiver of any breach by the PERMITTEE of any of the terms and conditions, upon which this Permit is granted and to which the PERMITTEE agrees, nor of the DEPARTMENT's right to terminate or revoke this Permit. Failure by the DEPARTMENT to insist upon strict performance thereof by the PERMITTEE, or to exercise any option herein reserved, shall not be construed as a waiver or as a relinquishment of any of its rights under this Permit.

7. **Security Deposit.** The PERMITTEE, upon execution of this Permit, shall deposit with the DEPARTMENT in legal tender or in such other form acceptable to the DEPARTMENT in the amount hereinbefore set forth as security that it will perform faithfully all the terms and conditions of this Permit. The said deposit will be returned without interest to the PERMITTEE within a reasonable time after the termination of this Permit only if the PERMITTEE has faithfully performed said terms and conditions to the satisfaction of the DEPARTMENT. In the event the PERMITTEE does not so perform, then the DEPARTMENT shall keep all of the said sum as compensation for the damages resulting from the PERMITTEE's breach of contract, and the DEPARTMENT's retention of all the said deposit shall not prevent the DEPARTMENT from recovering any damages not compensated thereby.

8. **Cost of Collection.** The PERMITTEE shall pay any and all court costs, including attorney's fees, incurred by the DEPARTMENT in collecting rents, penalties, interest, fees or other charges due and payable by the PERMITTEE under this Permit or in removing the PERMITTEE and/or the improvements or additions, constructed or installed by it, from the Premises, where necessary, or in recovering any damages or loss caused by the PERMITTEE's breach of any of the terms and conditions under this Permit.

9. **Equal Treatment.** The PERMITTEE will furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and will charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the PERMITTEE may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

10. **Repairs.** The PERMITTEE shall at its own expense keep and maintain the Premises in a condition similar to that which existed on the effective date of this Permit, ordinary wear and tear and damage by acts of God excepted.

11. **Waste, Strip and Nuisance, and Maintenance.** The PERMITTEE shall not make, permit or suffer any waste, strip, nuisance or any other unlawful, improper or offensive use of the Premises. The PERMITTEE shall, at all times and at its own expense keep the Premises clean, neat, safe and orderly, free of waste, rubbish and debris and shall provide for the safe and sanitary handling and disposal of all trash, garbage and other refuse from its activities on the Premises.

12. **Utilities and Other Charges.** The PERMITTEE shall be responsible for and pay all charges for water, electricity, telephone and other utilities, and all charges for sewer, garbage and trash disposal. Where any of such services are provided by the DEPARTMENT at the request of the PERMITTEE, the PERMITTEE shall pay the DEPARTMENT's charges therefor.

13. **Property Taxes.** The PERMITTEE will pay all taxes including real property taxes, imposts and assessments required under the laws of all governing authorities, in relations to the use and occupancy of the Premises and the conduct of its activities thereon.

14. **General Liability Insurance.** The PERMITTEE shall, at its own expense, effect, maintain and keep in force throughout the life of this Permit, a General Comprehensive Public Liability Insurance policy or policies with a combined single limit coverage of not less than \$500,000 for bodily injury and and damage to property per occurrence. The specification of limits as contained herein shall not be construed in any way to be a limitation on the amount of liability of the PERMITTEE under this Permit. Such insurance policy shall (a) be issued by an insurance company or surety company authorized to do business in the State of Hawaii or approved in writing by the DEPARTMENT; (b) name the State of Hawaii as an additional insured; (c) provide that the DEPARTMENT shall be notified at least thirty (30) days prior to any termination, cancellation or material change in its insurance coverage; and (d) cover all injuries, losses or damages arising from, growing out of or caused by any acts or omissions of the PERMITTEE, its officers, agents, employees, invitees or licensees in connection with the PERMITTEE's use or occupancy of the Premises. The PERMITTEE shall furnish to the DEPARTMENT upon the execution of this Permit and prior to occupancy of the Premises, a certificate showing such insurance policy to have been issued to the PERMITTEE and to be then in force, and shall furnish a like certificate upon each renewal thereof.

15. **Fire Insurance.** The PERMITTEE shall procure immediately and keep in force with respect to the Premises a fire insurance policy for real property improvements in the amount determined by the DEPARTMENT whenever it is deemed necessary and specified in the special terms and conditions.

16. **PERMITTEE's Prior Inspection.** The PERMITTEE warrants that it has inspected the Premises and all improvements thereon, knows the condition thereof and fully assumes all risks incidental to the use and enjoyment thereof.

17. **Indemnity.** The PERMITTEE shall at all times with respect to the Premises use due care for public safety and shall defend, hold harmless and indemnify the DEPARTMENT, its officers, agents and employees from and against all claims, or demands for damages, including claims for property damage, personal injury or death, (a) arising on the Premises, or caused by any fire or explosion thereon; or (b) arising from, growing out of, or caused by any act or omission on the part of the PERMITTEE, its officers, agents, employees, invitees or licensees, in connection with the PERMITTEE's use or occupancy of the Premises.

18. **Surrender and Restoration.** The PERMITTEE shall, prior to the termination or revocation of this Permit, restore, at its own cost and risk, the Premises to a condition similar to that which existed prior to the effective date of this Permit, reasonable and ordinary wear and tear and damage by acts of God excepted, and peacefully surrender possession thereof to the DEPARTMENT. In the event the PERMITTEE fails to effectuate such restoration of the Premises, the DEPARTMENT reserves the right to accomplish same by its own employees or by an independent contractor and assess the PERMITTEE and total costs thereof. The DEPARTMENT is not required to furnish replacement facilities or relocation assistance to the PERMITTEE.

19. **Transferability.** This Permit and the Premises or any part thereof inclusive of any and all rights or obligations accruing or arising under it shall not be sold, transferred, assigned, leased, mortgaged or otherwise alienated or encumbered in any manner whatsoever.

20. **Structural Improvements, Alterations or Additions.** No improvement, alteration or addition of a structural nature shall be made, installed or constructed on, under or within the Premises by the PERMITTEE unless it first submits its plans and specifications therefor to the DEPARTMENT for its approval and unless said plans and specifications are in fact approved in writing by the DEPARTMENT. Such plans and specifications shall not be submitted nor approved unless they be in full compliance with any and all Governmental statutes and rules and regulations applicable thereto. Any improvements, alterations or additions shall be accomplished at the sole cost and risk of the PERMITTEE and the DEPARTMENT shall not be responsible for any damages to or destruction of any such improvements, alterations or additions or of any personal property on the Premises.

21. **Removal of Improvements.** The PERMITTEE may remove at its own cost and risk, any and all improvements or additions constructed or installed by it upon the Premises at any time during the life of this Permit and prior to termination or revocation hereof. In the event of such removal, the Premises shall be restored by the PERMITTEE to a condition similar to that which existed immediately prior to the construction or installation thereof, ordinary wear and tear excepted. Failure of the PERMITTEE to give notice of its intention to remove prior to termination or revocation shall be deemed to be an abandonment of said improvements or additions. Upon the failure of the PERMITTEE to effectuate such removal prior to termination or revocation, the DEPARTMENT shall have the right to remove the improvements or additions and to restore the Premises to a condition similar to that which existed immediately prior to the construction or installation of said improvements or additions by its own employees or by an independent contractor and assess the total costs thereof to the PERMITTEE agrees to pay for all such costs and expenses of removal and restoration.

22. **Removal of Personal Property.** Should the PERMITTEE fail to vacate the Premises upon the revocation of the Permit, the Director of Transportation, his agents and/or representatives may enter upon the Premises and remove and dispose of, at PERMITTEE's cost and expense, all vehicles, equipment, materials and/or any personal property remaining on the Premises, and the PERMITTEE agrees to pay for all such costs and expenses of removal and disposition.

23. **Entry by DEPARTMENT.** The DEPARTMENT or its agents and employees may enter the Premises at all reasonable hours to inspect the Premises and determine if the PERMITTEE is complying with the terms and conditions of this Permit or for any other proper purpose. The PERMITTEE shall not make any claim for damages or set off of rent or other charges by reason or on account of such entry.

24. **Advertising Signs.** The PERMITTEE may install and operate, at its own expense, such signs and advertising materials as shall be expressly approved by the DEPARTMENT as being of acceptable character on the basis of appearance, size, design, color, quality, number, location, content, and general conformity with the architectural character of the AIRPORT. Prior to the termination or revocation of this Permit, the PERMITTEE shall remove, obliterate or paint out any and all advertising signs, posters and similar devices placed by him on the Premises. If the PERMITTEE fails to carry out this requirement, the DEPARTMENT may perform such work as may be necessary and the PERMITTEE shall pay the costs thereof immediately upon demand by the DEPARTMENT.

25. **Public Address System.** The PERMITTEE shall permit the installation of the DEPARTMENT's public address system within the Premises and the reception within such Premises of public announcements, flight information and background music broadcast over such systems.

26. **Liquidated Damages.** If the PERMITTEE does not vacate the Premises upon the termination or revocation of the Permit by the DEPARTMENT, the PERMITTEE shall pay the DEPARTMENT liquidated damages as stated under Item 9. of this Revocable Permit for each day or portion thereof the PERMITTEE remains on the Premises over said date of termination or revocation. Such payment is to be in addition to any other rights or remedies the DEPARTMENT may be entitled to pursue for breach of contract, or for illegal occupancy.

27. **Non-Discrimination.** The PERMITTEE, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Permit for a purpose involving the provision of similar services or benefits, the PERMITTEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, the DEPARTMENT shall have the right to re-enter said lands and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of the DEPARTMENT and its assigns.

The PERMITTEE, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, creed, color, sex or national origin shall be excluded for 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, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that the PERMITTEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, the DEPARTMENT shall have the right to terminate this permit and re-enter and repossess said land and the facilities thereon, and hold the same as if said Permit had never been made or issued.

28. Civil Rights Provision. The PERMITTEE assures that it will undertake an affirmative action program as required by Title 14 Code of Federal Regulations, 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 or receiving the services or benefits of any program or activity covered by this subpart. The PERMITTEE assures that it will require that its covered suborganizations provide assurances to the DEPARTMENT that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by Title 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

29. Interpretation. The use of any gender shall include all genders, the use of the singular shall include the plural and the use of the plural shall include the singular as the context may require.

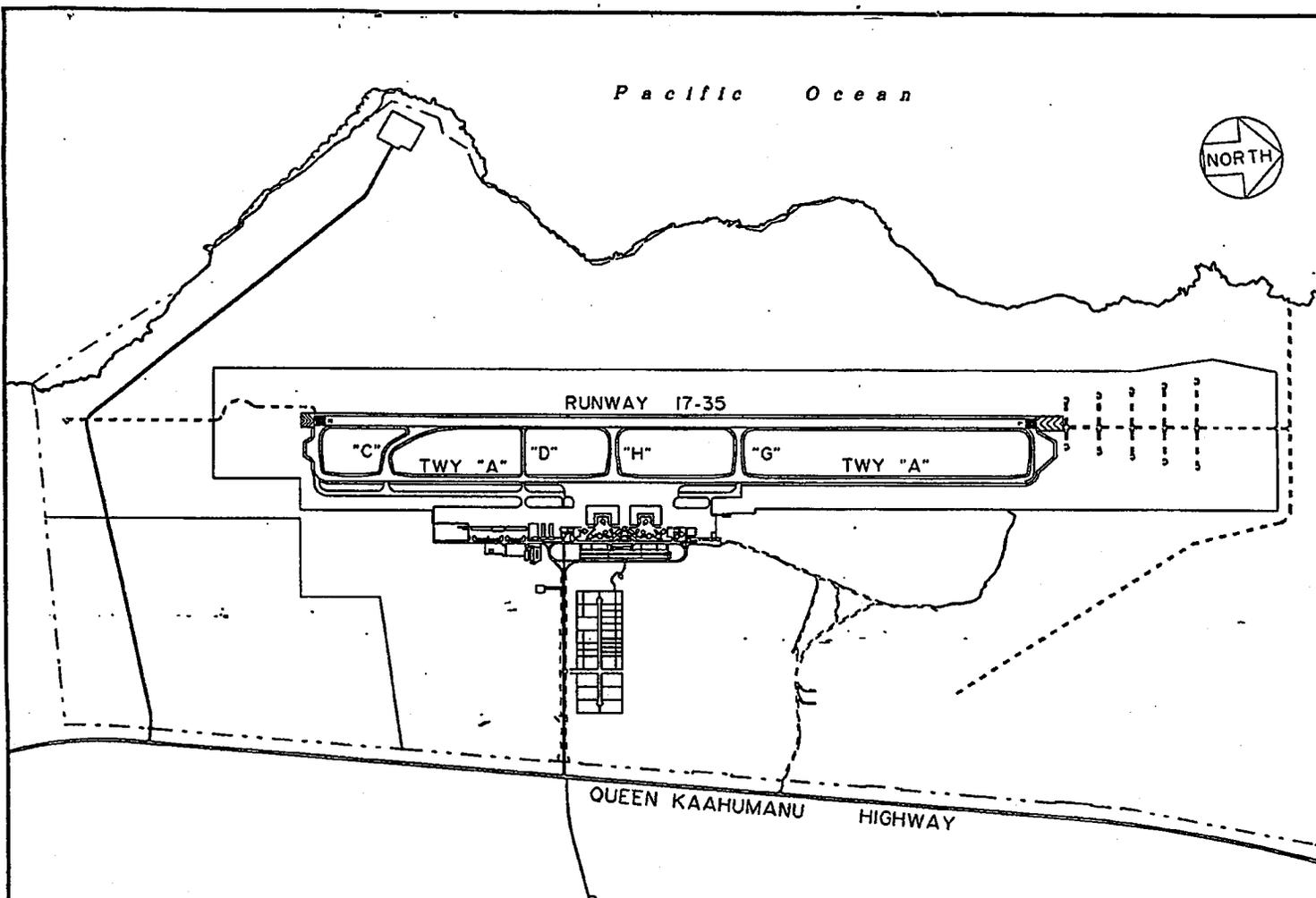
30. Conflicting Terms and Conditions. Where an inconsistency exists between these printed terms and conditions and the special terms and conditions, the special terms and conditions shall govern.

31. Compliance with Laws. The PERMITTEE shall comply with all laws, ordinances and rules and regulations of all governmental agencies, applicable to the Premises or relating to and affecting any business or other commercial activity conducted on the Premises.

32. Breach of Revocable Permit or Terms and Conditions. Upon a breach of any of the aforementioned terms and conditions, including but not limited to PERMITTEE's failure to pay any rental, interest, fees or charges when due, DEPARTMENT may revoke this Permit upon five (5) business days' written notice of said breach and shall be entitled to regain possession of the Premises administratively, without court action.

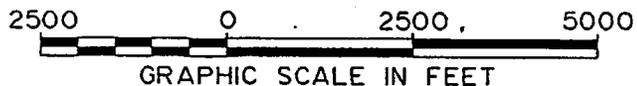
33. Disputes and/or Questions. Any and all disputes and/or questions arising under this Permit shall be referred to the Director of Transportation and his determination of such disputes or questions shall be final and binding on the parties.

Pacific Ocean



<u>LOT</u>	<u>DESCRIPTION</u>	<u>EXHIBIT NO.</u>	<u>STALLS</u>
	AIRPORT	A	
	(EXIT GATE PLAZA/OFFICE)	B	
A	PUBLIC PARKING	C-1 & C-2	373*
B	EMPLOYEE PARKING	D	269
C	PUBLIC (METERED) PARKING	E	30

* INCLUDES 8 HANDICAP STALLS



DATE: MAY, 1994

EXHIBIT: **A**



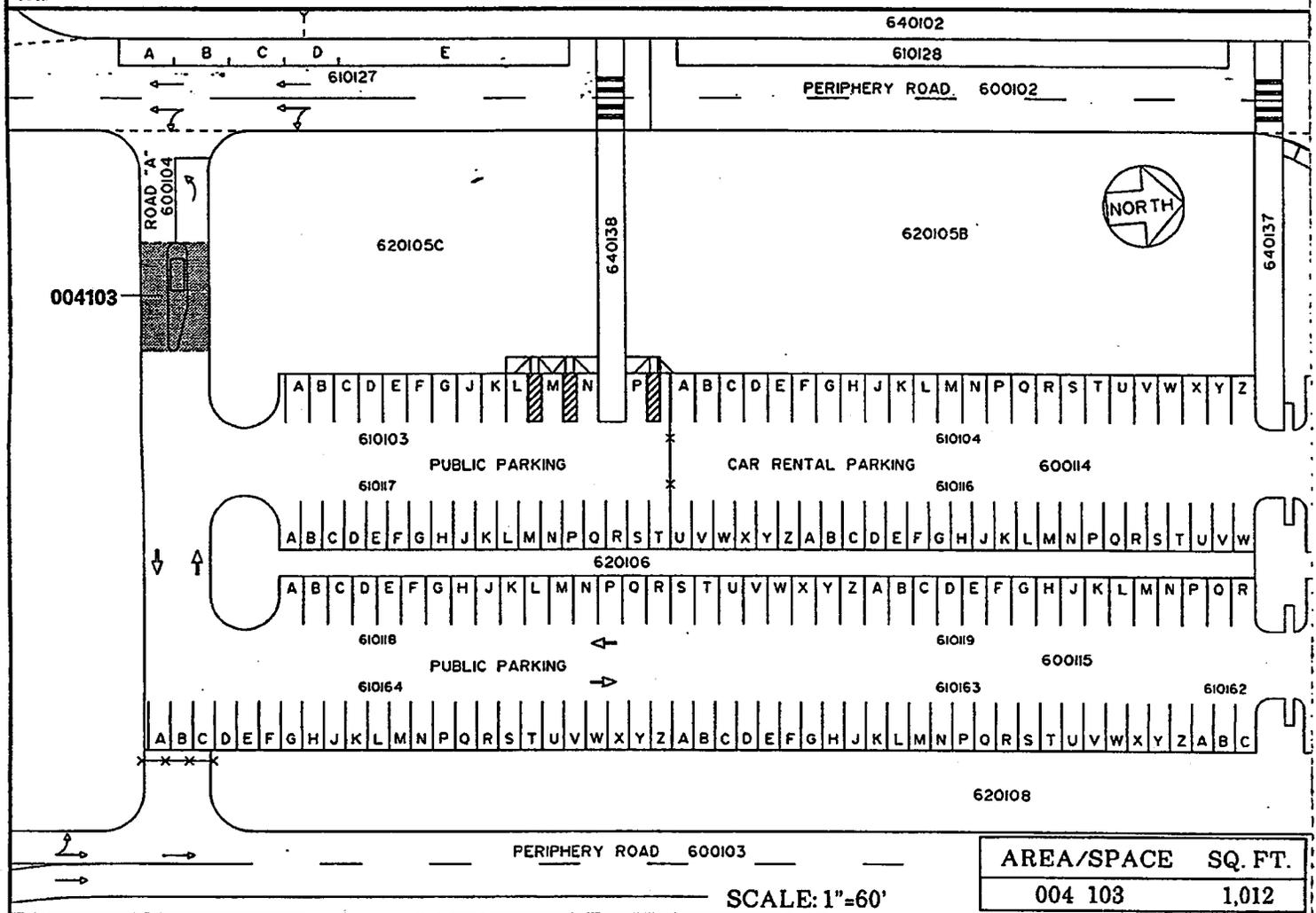
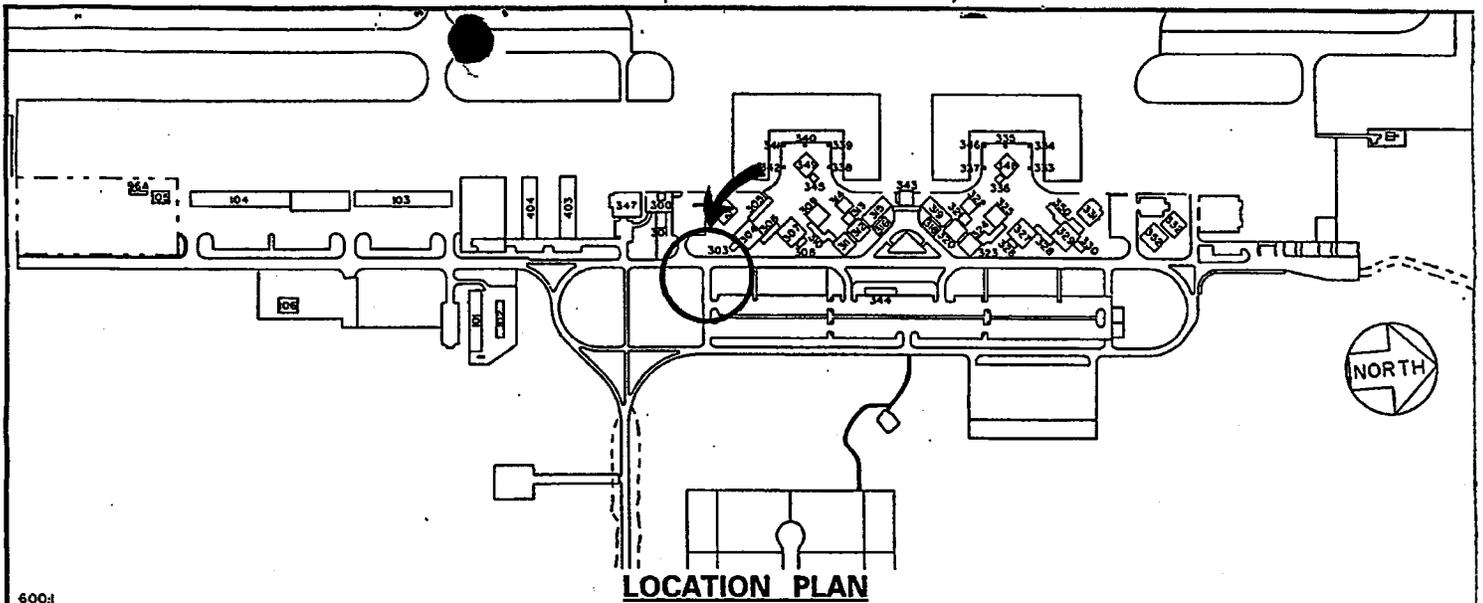
Airports Division

AUTOMOBILE PARKING FACILITIES

"AIRPORT"

PLAT 01

KEAHOLE-KONA INTERNATIONAL AIRPORT



DATE: MAY, 1994

EXHIBIT: **B**



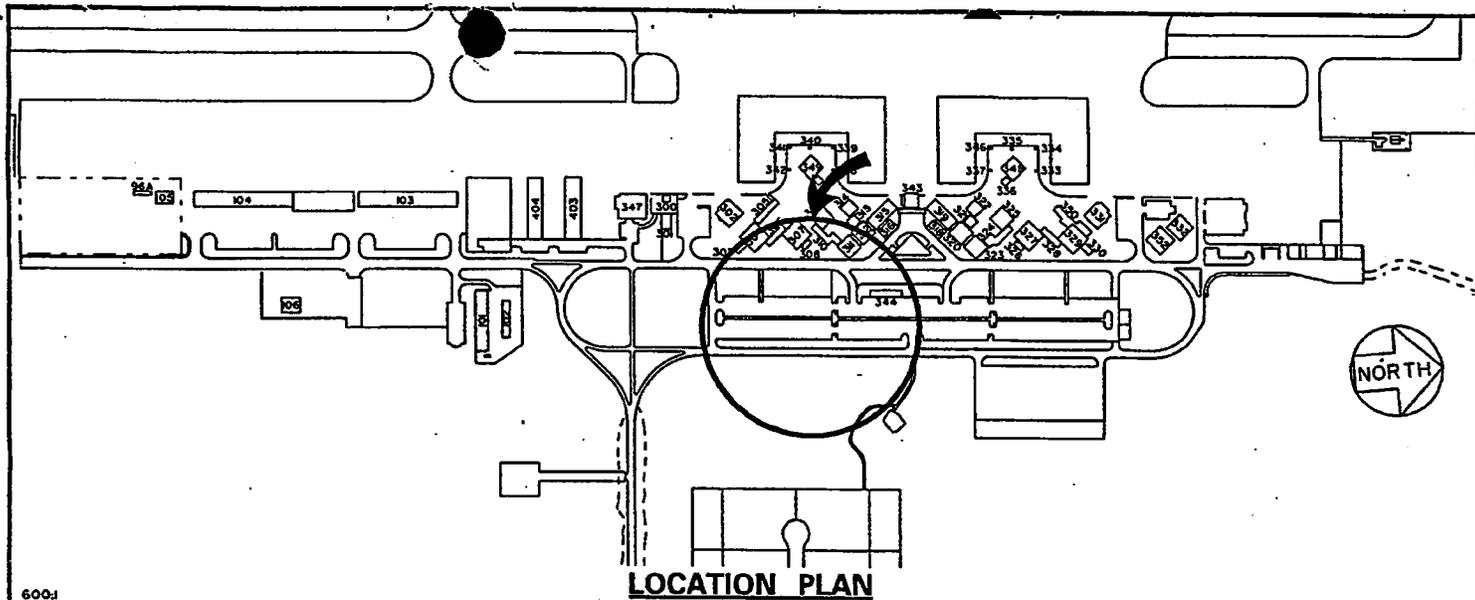
Airports Division

AUTOMOBILE PARKING FACILITIES

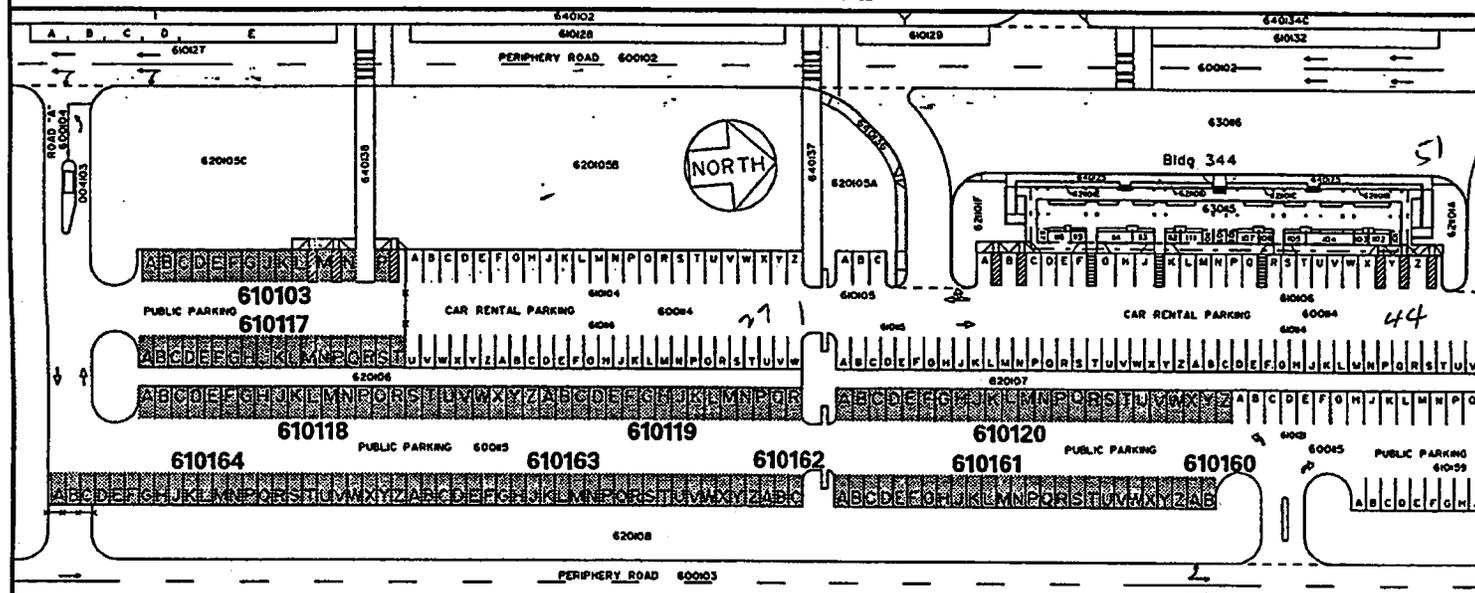
EXIT GATE PLAZA/OFFICE

004103
PLAT D1

KEAHOLE-KONA INTERNATIONAL AIRPORT



LOCATION PLAN



AREASPACE	STALLS
610 103A-G,J-P	13
610 117A-T	18
610 118A-Z	24
610 119A-R	16
610 120A-Z	24
610 160A-B	2
610 161A-Z	24
610 162A-C	3
610 163A-Z	24
610 164A-Z	24
TOTAL	172

SCALE: 1"=100'

DATE: MAY, 1994

EXHIBIT: C-1



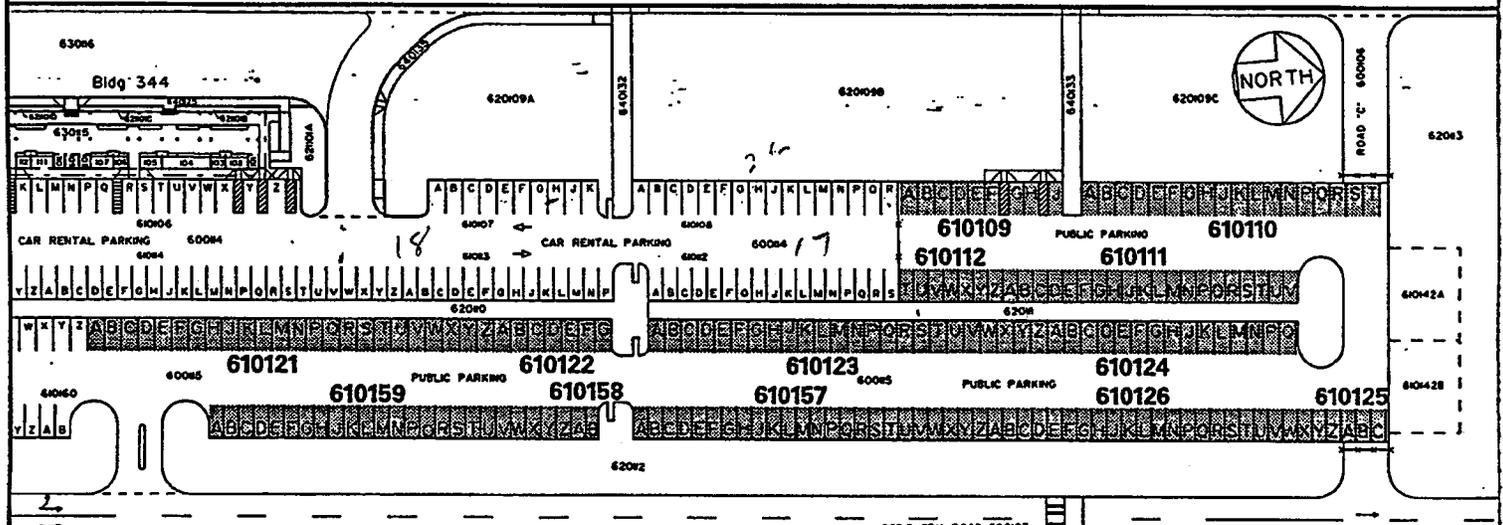
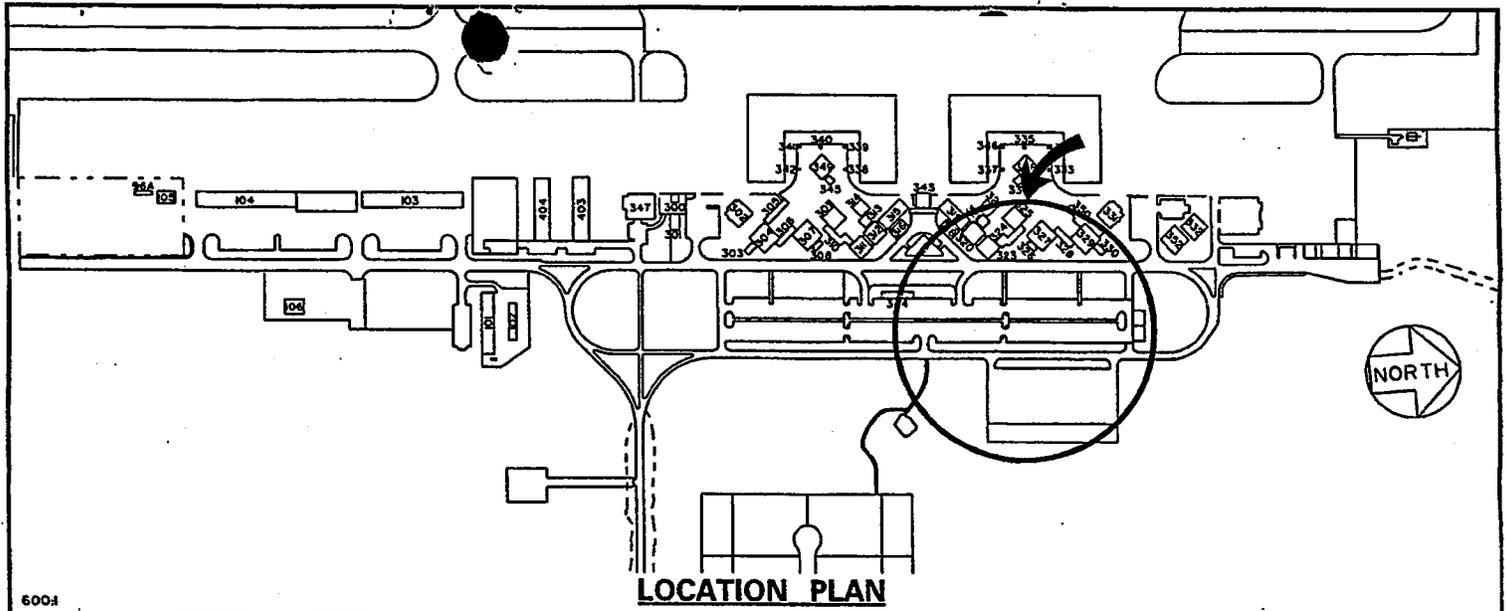
Airports Division

AUTOMOBILE PARKING FACILITIES

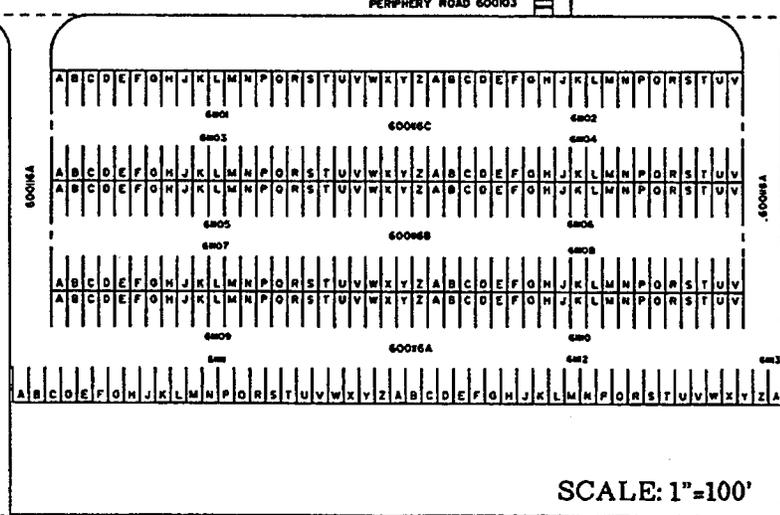
LOT A

PLAT D1,E1

KEAHOLE-KONA INTERNATIONAL AIRPORT



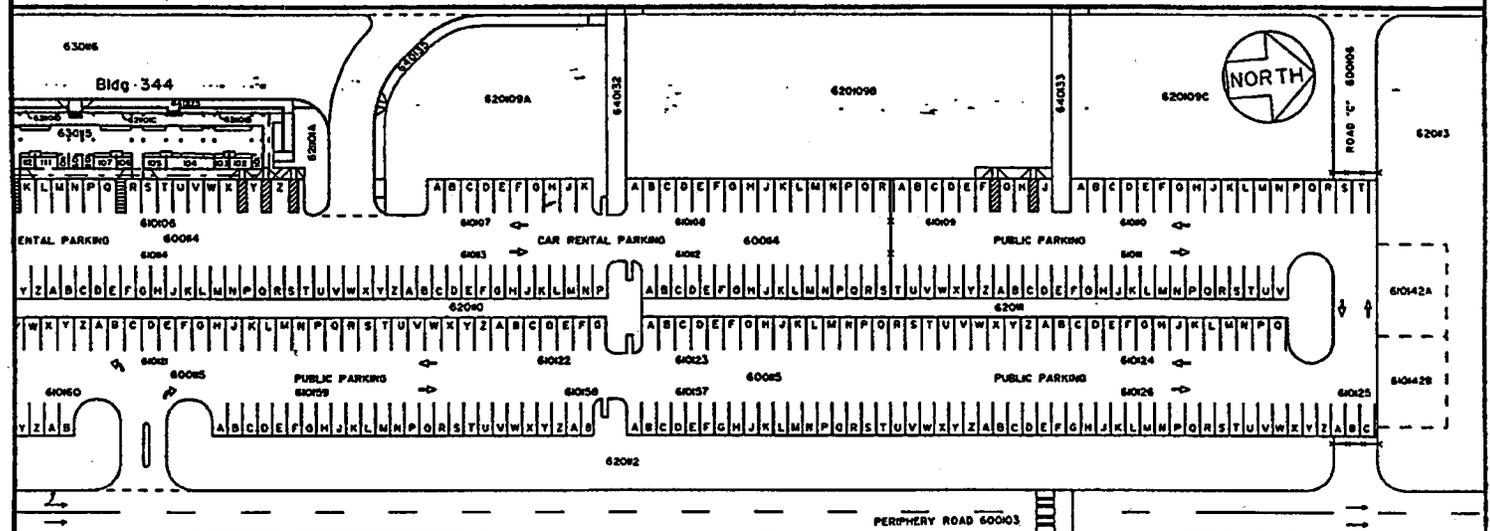
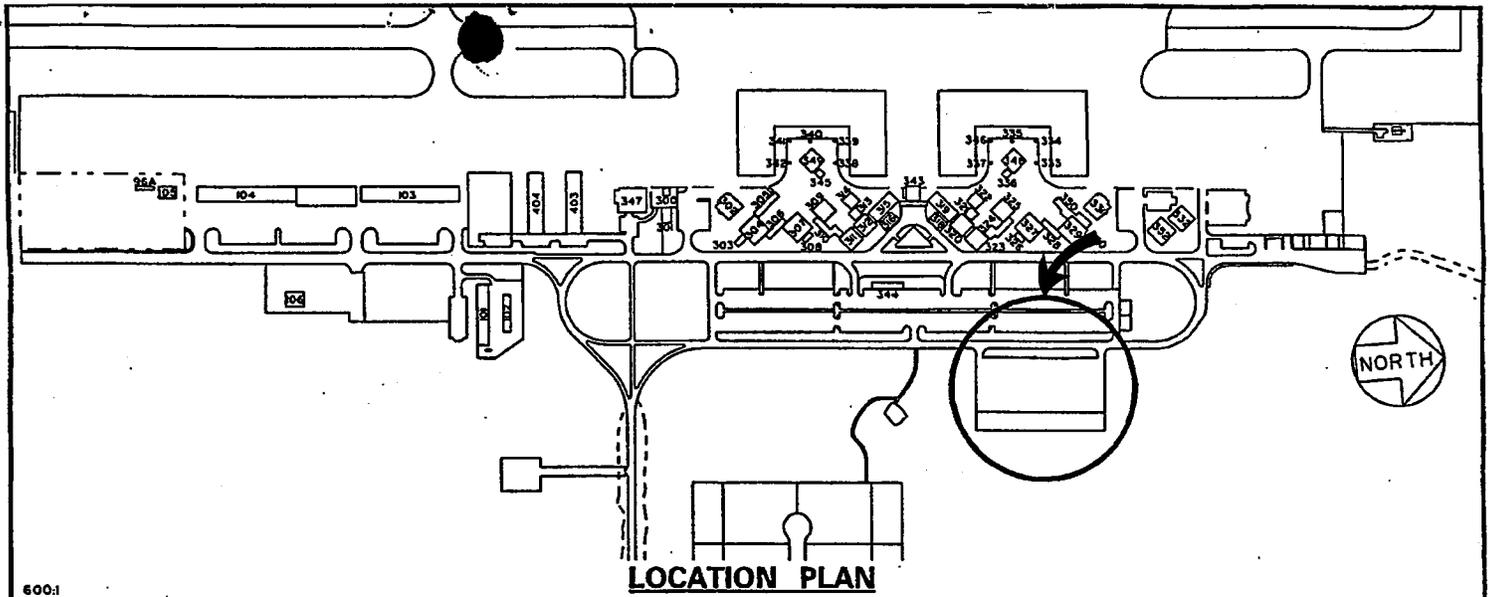
AREASPACE	STALLS
610 109A-J	9
610 110A-T	18
610 111A-V	20
610 112T-Z	7
610 121A-Z	24
610 122A-G	7
610 123A-Z	24
610 124A-Q	15
610 125A-C	3
610 126A-Z	24
610 157A-Z	24
610 158A-B	2
610 159A-Z	24
TOTAL	201



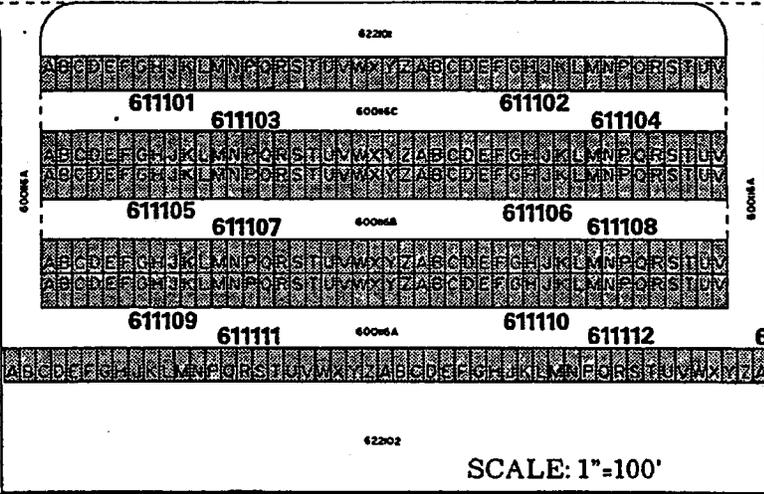
DATE: MAY, 1994 EXHIBIT: **C-2**

	Airports Division	AUTOMOBILE PARKING FACILITIES	LOT A	PLAT E1
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KEAHOLE-KONA INTERNATIONAL AIRPORT



<u>AREASPACE</u>	<u>STALLS</u>
611 101A-Z	24
611 102A-V	20
611 103A-Z	24
611 104A-V	20
611 105A-Z	24
611 106A-V	20
611 107A-Z	24
611 108A-V	20
611 109A-Z	24
611 110A-V	20
611 111A-Z	24
611 112A-Z	24
611 113A	1
TOTAL	269



DATE: MAY, 1994 EXHIBIT: **D**

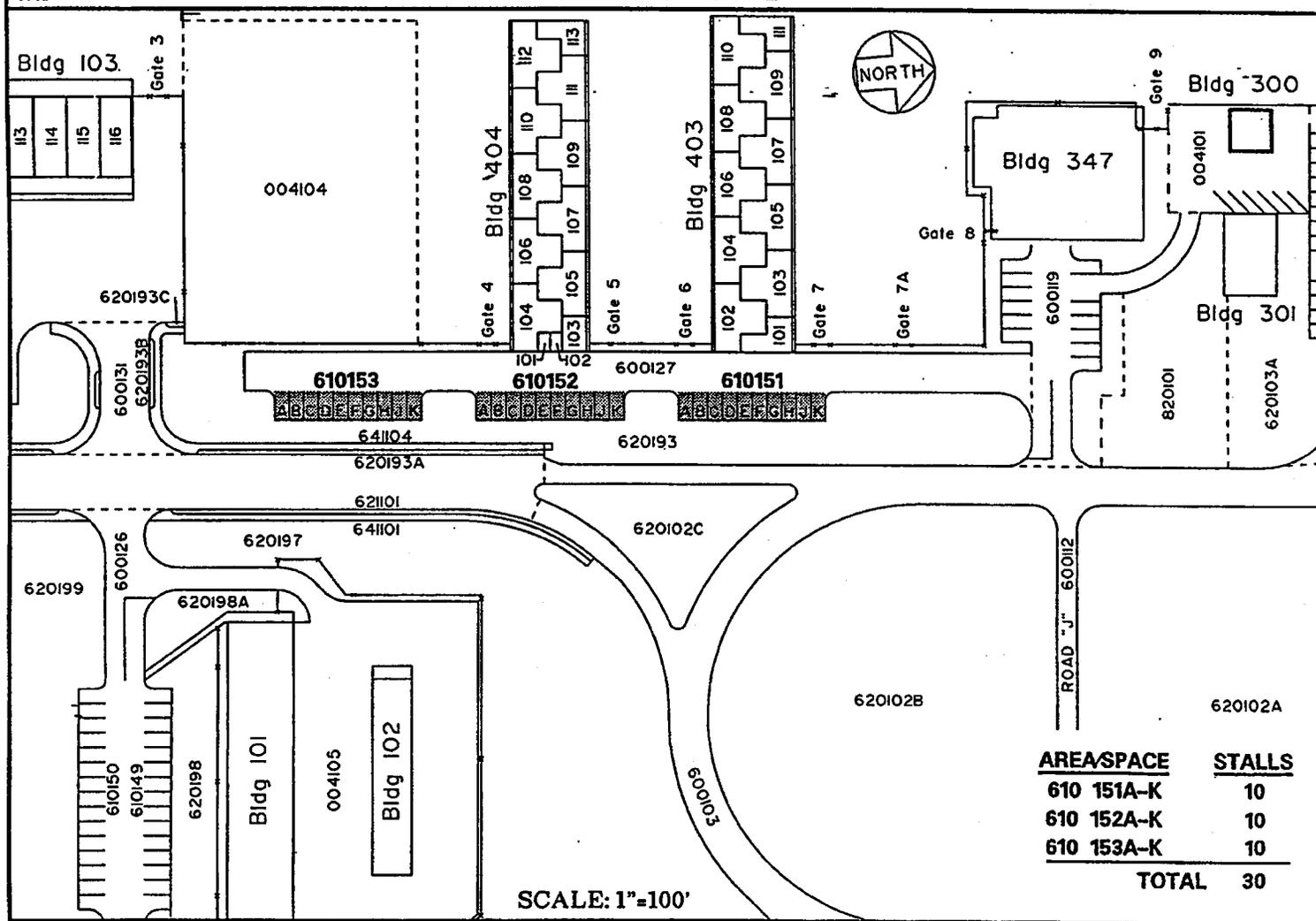
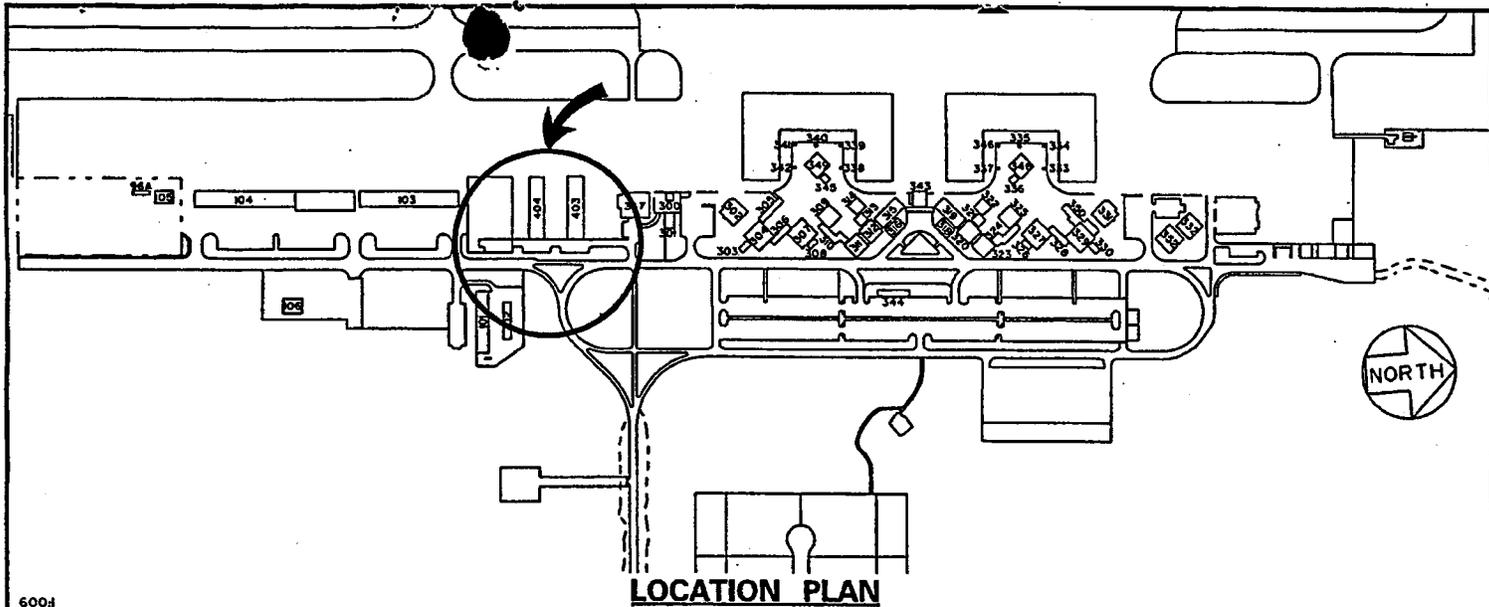


AUTOMOBILE PARKING FACILITIES

LOT B

PLAT E1,58

KEAHOLE-KONA INTERNATIONAL AIRPORT



AREASPACE	STALLS
610 151A-K	10
610 152A-K	10
610 153A-K	10
TOTAL	30

DATE: MAY, 1994 EXHIBIT: **E**

 <p>Department of Transportation STATE OF HAWAII</p>	<p>Airports Division</p> <p>AUTOMOBILE PARKING FACILITIES</p>	<p>LOT C</p> <p>SOUTH RAMP</p>	<p>PLAT C1</p>
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KEAHOLE-KONA INTERNATIONAL AIRPORT

BENJAMIN J. CAYETANO
GOVERNOR



(T) NH
AMPCO
Left side

7694

KAZU HAYASHIDA
DIRECTOR
DEPUTY DIRECTORS
JERRY M. MATSUDA
GLENN M. OKIMOTO

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

IN REPLY REFER TO:
AIR-PM
96.695

September 12, 1996

Mr. George B. Clift
Vice President, Airports
AMPCO System Parking
800 East Campbell, Suite 199
Richardson, Texas 75801

Dear Mr. Clift:

Subject: Lease No. DOT-A-95-15
Automobile Parking Concession
Keahole-Kona International Airport

We are in receipt of your signed letter of agreement for the rental reductions at Keahole-Kona International Airport.

The agreement allowed for a four percent (4%) reduction to the minimum annual guarantee for the four (4)-year period of the lease from July 1, 1995 to June 30, 1999. It also provided for a reduction of \$59,318.00 that will be applied to this current 12-month period of July 1996 to June 1997. As discussed with Mr. Les Yoshimasu of our Property Management and Land Acquisition Staff, it will not be necessary to process a formal amendment to your lease.

The revised minimum annual guarantees for the four (4)-year period of your lease will be as follows:

1st Contract Year	\$857,280.00
2nd Contract Year	\$823,882.00
3rd Contract Year	\$910,080.00
4th Contract Year	\$936,960.00

If this is agreeable to you, please sign in the space provided below and return the original of this letter.

Mr. George B. Clift
September 12, 1996
Page 2

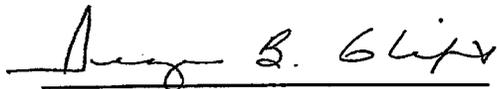
AIR-PM
96.695

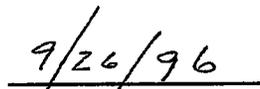
If you have any questions, please contact Ms. Lorna Heindl of our Property Management and Land Acquisition Staff at (808)838-8671.

Sincerely,


JERRY M. MATSUDA
Deputy Director

ACCEPTED/APPROVED:


George B. Clift
Vice President, Airports
AMPCO System Parking


Date

BENJAMIN J. CAYETANO
GOVERNOR



KAZU HAYASHIDA
DIRECTOR

DEPUTY DIRECTORS
JERRY M. MATSUDA
GLENN M. OKIMOTO

AUG 14 1996

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

IN REPLY REFER TO:

AIR-PM
96.577

August 2, 1996

Mr. George B. Clift
Vice President, Airports
AMPCO System Parking
800 East Campbell, Suite 199
Richardson, Texas 75801

Dear Mr. Clift:

Subject: Lease No. DOT-A-95-15
Automobile Parking Concession
Keahole-Kona International Airport

This is in response to your inquiry regarding rent reduction for the subject lease due to statements which were given by the Airports Division at the pre-bid meeting for the concession which caused you to bid a higher amount.

As discussed with Mr. Les Yoshimasu of our Property Management and Land Acquisition Staff, and in an effort to resolve all issues on this matter raised by you, the State is willing to offer the following in full and complete satisfaction of this matter. The Department of Transportation and the Attorney General will process a formal amendment to your lease. The following rent reductions will be applied to the minimum annual guaranteed rentals which were bid by your company and which are stated in the subject lease:

1. A four percent (4%) reduction to the minimum annual guaranteed rentals will be applied for the four (4)-year period of the lease from July 1, 1995 to June 30, 1999. This reduction is being provided because we informed all bidders in the pre-bid summaries that the gross receipts stated in the bid package did not include general excise taxes collected by the past operator, when in fact the gross receipts did include those general excise taxes.
2. A reduction in the amount of \$59,318.00 will be provided on the first year's minimum annual guaranteed

Mr. George B. Clift
August 2, 1996
Page 2

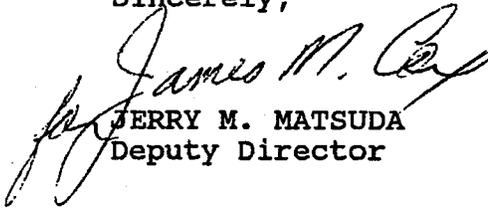
AIR-PM
96.577

rental. This reflects 50% of your calculated potential lost income which might have been generated had the State provided you the additional parking stalls in a timely manner which we promised in the pre-bid summaries given to all bidders.

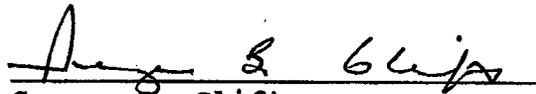
If this is agreeable to you, please sign below and return one original of this letter to me for our records.

Should you have any further questions, please contact Mr. Yoshimasu at (808) 838-8672.

Sincerely,


JERRY M. MATSUDA
Deputy Director

AGREED:


George B. Clift
Vice President, Airports
AMPCO System Parking

STATE LEASE NO. DOT-A-95-15
G.E.O. #3074

CANCELLED
NOT CALLED
6/30/99

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION

CONTRACT DOCUMENTS RELATING TO
THE MANAGEMENT AND OPERATION OF THE
AUTOMOBILE PARKING FACILITIES
AT
KEAHOLE-KONA INTERNATIONAL AIRPORT
KAILUA-KONA, ISLAND OF HAWAII

AUTOMOBILE PARKING FACILITIES
 KEAHOLE-KONA INTERNATIONAL AIRPORT
 KAILUA-KONA, ISLAND OF HAWAII

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NOTICE TO BIDDERS

Sealed tenders for a four (4)-year contract to manage and operate the Automobile Parking Facilities at Keahole-Kona International Airport, Kailua-Kona, Island of Hawaii, will be received by the Director of Transportation, c/o Property Management and Land Acquisition Supervisor, Department of Transportation, Airports Division Conference Room, Honolulu International Airport, 400 Rodgers Boulevard, Suite 700, Honolulu, Hawaii 96819-1880, up to 2:00 p.m., May 25, 1995, at which time and place they will be publicly opened and read.

The contract documents describing the terms and conditions of the Contract may be examined and/or obtained from the Office of the Airports Division, Honolulu International Airport, 400 Rodgers Boulevard, Suite 700, or at the Hawaii Airport District Manager's office at Keahole-Kona International Airport. Contract documents for the concession may be obtained upon the tender of a nonrefundable sum of TWENTY AND NO/100 DOLLARS (\$20.00) in United States currency or certified check. Said documents are subject to revisions and all persons who have signed for the receipt of contract documents will be notified of any such revisions.

The contract documents include this Notice to Bidders, the Instructions to Bidders, the Notice of Intention to Bid, the Bid, the General Terms and Conditions, Contract, Performance Bond, and the attachments thereto.

A pre-bid conference will be conducted by the State on April 5, 1995, at 2:00 p.m., to familiarize bidders with the nature of the contract documents and to consider any questions bidders may have. Bidders are advised to attend the pre-bid conference which will begin promptly at 2:00 p.m., at the Airports Division Conference Room, Department of Transportation, Airports Division, Honolulu International Airport, 400 Rodgers Boulevard, Suite 700, Honolulu, Hawaii 96819-1880.

Each bidder is required to fill out a Qualification Questionnaire (including a financial statement) and submit the same together with its completed Notice of Intention to Bid at the Office of the Airports Division not later than 4:00 p.m. on May 11, 1995. The Qualification Questionnaire shall be considered confidential and not available for inspection by the general public.

All Bids shall be on forms furnished by the State.

Any person, firm or corporation that submits a Notice of Intention to Bid may bid provided the bidder or any other corporation owned substantially by the bidder or any stockholder or stockholders of a closely-held corporate bidder is not in arrears in any payments owed to the State of Hawaii or any of its political subdivisions and is not in default of any obligations to the State of Hawaii or to any of its political subdivisions, including default as a surety or failure to perform faithfully and diligently any previous contracts with the State or any of its political subdivisions, and, provided further, that the Director of Transportation is satisfied that the bidder has the financial ability, experience and competence to carry out the terms and conditions on the Contract that may be awarded. "Stockholder of a closely-held corporate bidder" is defined as an owner of ten percent (10%) or more shares of outstanding stock of the corporation.

It is desired by the State Airports Division that Disadvantaged Business Enterprises (DBE) have maximum opportunity to participate in contract operations at all State airports. Accordingly, we encourage all qualified DBE's to compete for this contract operation opportunity.

The right is hereby reserved to reject any and all bids and to waive any defects or cancel this invitation for bids when, in the Director of Transportation's opinion, such rejection or waiver will be in the best interests of the State Department of Transportation as provided in Section 3-122-95 of the Hawaii Administrative Rules.



KAZU HAYASHIDA
Director of Transportation

To be Advertised: Honolulu Advertiser
West Hawaii Today

DOT 1746

March 22, 23, and 24, 1995

INSTRUCTIONS TO BIDDERS (IB)
Pertaining to the
Contract for the Management and Operation of the
Automobile Parking Facilities
at the
Keahole-Kona International Airport

1. PURPOSE

Bids are invited from all interested and qualified parties for the management and operation of the Automobile Parking Facilities at the Keahole-Kona International Airport. The State of Hawaii, Department of Transportation, Airports Division, seeks a qualified organization to perform this contract for a period of four (4) years.

The Automobile Parking Facilities will operate from spaces described in Article III (Premises) of Appendix C (General Terms and Conditions).

2. OBTAINING BID MATERIALS

Copies of the contract documents describing the terms and conditions of the agreement may be examined and/or obtained from the Administration Office, Airports Division, Honolulu International Airport, 400 Rodgers Boulevard, Suite 700, or at the Hawaii Airport District Manager's office at Keahole-Kona International Airport. The document may be obtained upon the payment of the nonrefundable amount of TWENTY AND NO/100 DOLLARS (\$20.00) in United States currency or certified check. Said document is subject to revision at any time prior to bid opening, and each person who has signed a receipt for the contract documents will be notified of and provided a copy each of all such revision.

The contract documents for the agreement include the Notice to Bidders, the Instructions to Bidders, the Notice of Intention to Bid, the Bid, the General Terms and Conditions, Contract, Performance Bond and attachments thereto.

3. PRE-BID CONFERENCE

A pre-bid conference to discuss the objectives and requirements for the management and operation of the Automobile Parking Facilities will be held on April 5, 1995 at 2:00 p.m. at:

Airports Division Conference Room A
Department of Transportation
Airports Division
Honolulu International Airport
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880

Airports Division representatives will be available to answer questions. All questions posed and answers given shall be reduced to writing and furnished to prospective bidders. Each bidder is encouraged to attend this conference. Reservations can be made by contacting:

Property Management and Land Acquisition Staff
Department of Transportation
Airports Division
Honolulu International Airport
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880

Telephone (808) 838-8671

To minimize the possibility of misunderstandings, all questions concerning the contract are to be submitted in writing by 4:00 p.m. on March 31, 1995, on the form provided as Attachment 3 to this Instructions to Bidders, prior to or at the pre-bid conference. The written and oral questions will be considered, but may not be addressed during the conference. Questions may be deferred for subsequent written follow-up. A summary of all written and oral questions submitted prior to and during the conference as well as Airports Division responses will be made available to all bidders regardless of whether they attend the pre-bid conference. Any changes to the contract documents which result from the pre-bid conference or otherwise will be made and notice given to prospective bidders before the date scheduled for receipt of sealed bids.

4. NOTICE OF INTENTION TO BID

Bidders are required by State statute to submit a Notice of Intention to Bid. A prospective bidder's failure to submit the notice by the date specified in the Notice to Bidders, unless the date is postponed by written notice by the State, shall disqualify the prospective bidder.

5. SUBMISSION OF NOTICE OF INTENTION TO BID, QUALIFICATION QUESTIONNAIRE AND TAX CLEARANCE CERTIFICATES

The Notice of Intention to Bid (Appendix A), Qualification Questionnaire (Appendix A, Attachment 1), and Tax Clearance Certificates (Appendix A, Attachment 2), must be submitted by the deadline of 4:00 p.m., May 11, 1995, and in accordance with the instructions contained therein for purposes of evaluating the qualification of bidders.

6. SUBMISSION OF BIDS

All bids must be made on the Bid forms prepared by the State (Appendix B) and must be properly executed, addressed and submitted to the Director of Transportation, c/o Property Management and Land Acquisition Supervisor, Airports Division, Department of Transportation, Honolulu International Airport, 400 Rodgers Boulevard, Suite 700, Honolulu, Hawaii 96819-1880, at or before the time and date set for the submittal of bids.

Each Bid must be submitted in a sealed envelope properly marked on the outside as follows:

"Bid for the contract for the management and operation of the Automobile Parking Facilities at Keahole-Kona International Airport."

To help insure confidentiality of your Bids, please use the envelope provided with these documents. If mailing your Bid, enclosed the provided envelope within another mailer.

The Bid shall be comprised of:

- (a) The Bid (Appendix B)
- (b) Affidavit of Non-Collusion (Appendix B, Attachment 1)
- (c) Surety Bid Bond (Appendix B, Attachment 2)

Bids will be opened and read publicly at the time and place indicated in the Notice to Bidders, unless the date is postponed by written notice by the State.

Bids may be rejected in accordance with Chapter 103D, HRS, and Section 3-122-97 of the Hawaii Administrative Rules (hereinafter "HAR"), and may include any of the following reasons:

- (a) If it shows any alterations, erasures, irregularities of any kind or additions not called for;
- (b) If it is conditional or incomplete;
- (c) If it fails to comply with any of the requisite conditions;
- (d) If the bidder or any stockholder or stockholders of a closely-held corporate bidder are in arrears in any payments owing to the State or any of its political subdivisions, including default as a surety or failure to perform faithfully and diligently any previous contract with the State for the purpose hereof; stockholder is defined as one who holds ten percent (10%) or more of the outstanding stock of the corporation;
- (e) If more than one Bid from an individual, partnership, corporation or any other legal entity under the same or different names is received and more than one remains in the State's possession at bid opening.

The State reserves the right to cancel the bid opening or to reject any or all Bids and waive any defects when, in the opinion of the Director, Department of Transportation (hereinafter referred to as "Director"), such rejection or waiver will be in the best interest of the State Department of Transportation as provided in HAR Section 3-122-95. The right is reserved by the State to re-advertise for Bids, or to accept a Bid which does not offer the highest financial return, if the acceptance of such Bid is pursuant to evaluation criteria set forth in these bid documents.

7. LATE SUBMISSIONS

It is the responsibility of the bidder to ensure that the Notice of Intention to Bid and the Bid are received by the stated applicable deadlines. The State assumes no responsibility for lateness due to mail or other delivery service. Materials received after the stated deadlines will not be considered and will be returned without opening in accordance with Section 103D, Hawaii Revised Statutes (hereinafter referred to as "HRS") and HAR Section 3-122-29.

8. WITHDRAWAL OR MODIFICATION OF QUALIFICATION QUESTIONNAIRE AND BID PROPOSAL

The Qualification Questionnaire or Bid, or both, may be withdrawn by written notice, telegram, or mailgram which must be received prior to the stated applicable deadlines for submission of same. A substitute submittal will be accepted so long as a written request to withdraw the previous Qualification Questionnaire or Bid is received simultaneously with or prior to the substitute submittal and the substitute is received prior to the applicable deadline.

Errata sheets may be submitted prior to the submittal deadline for Qualification Questionnaire documentation so long as the total of all corrections to a submittal do not exceed two typed 8-1/2" x 11" pages. Changes of a greater magnitude require withdrawal and substitute submittal of a complete and properly bound packet of the Qualification Questionnaire which must each be clearly labeled on all pages "Substitute Submittal #1" (or #2, #3, etc.).

9. QUALIFICATION OF BIDDERS.

A bidder must, at the time its Bid is submitted, be capable of performing all of the terms and conditions of the Contract which may be awarded. Before any prospective bidder shall be entitled to submit a Bid for the Contract, the prospective bidder shall, on or before 4:00 p.m., May 11, 1995, give written notice to the Administrator of Airports Division (hereinafter referred to as "Administrator"), of its intention to bid. The Administrator shall be satisfied of the prospective bidder's financial ability to deliver the goods or perform the work required, and experience and competence in delivering similar goods or performing similar work. The bidder or a person or persons who will act as the responsible managing employee of the successful bidder must have at least five (5) years of experience in the operation of at least three (3) public parking facilities with vehicular parking capacity of not less than three hundred (300) stalls per facility and annual gross receipts of not less than \$300,000.00 per parking facility per year. The responsible managing employee must be employed by the prospective bidder prior to the submittal of the Notice of Intention to Bid and Qualification Questionnaire. For this purpose, a prospective bidder shall submit with its Notice of Intention to Bid, a completed Qualification Questionnaire (Appendix A, Attachment 1), setting forth a complete statement of its qualifications, experience, competence and financial ability and tax clearances (Appendix A, Attachment 2). This information may be accompanied by any additional information considered pertinent by the

prospective bidder with respect to its Bid or proposed method of operation. Whenever it appears to said Administrator, from answers to the Qualification Questionnaire or otherwise, that any prospective bidder is not fully qualified or able to carry out the terms and conditions of the Contract, the Administrator shall refuse to receive or consider any Bid submitted by such prospective bidder. A written determination of non-responsibility shall be made by the Director of Transportation. All information contained in the "Qualification Questionnaire" form shall remain confidential as required by Section 103D-310(a), HRS. A Qualification Questionnaire submitted by an unsuccessful bidder shall be returned after the contract has been awarded.

10. MINIMUM AND MAXIMUM ALLOWABLE BIDS

For the term of this Contract, the successful bidder shall pay seventy percent (70%) of the Operator's annual gross receipts, or the minimum annual guaranteed payment as proposed by the successful bidder in its Bid, whichever is greater.

The upset minimum annual guaranteed fee for the first contract year shall not be less than FOUR HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$480,000.00). The minimum annual guaranteed fee for each subsequent contract year shall not be less than that bid for the previous contract year nor shall the bid for any such contract year be more than a fifteen percent (15%) increase over the bid for the previous contract year.

11. BID DEPOSITS

The required minimum value of bid deposits is set forth in Section 103D-323, HRS. Deposits shall be not less than five percent (5%) of the first \$50,000.00 of the bid plus two percent (2%) of the bid amount over \$50,000.00. The bid deposit shall be based on the total minimum annual guaranteed fee bid for the full term of the Contract. The bid deposit must be submitted along with the Bid.

The bid deposit shall be in the form of legal tender, a surety bond conforming to the requirements of Section 103D-323, HRS, or a certificate of deposit; share certificate; or cashier's, treasure's, teller's, or official check drawn by, or a certified check accepted by, and payable on demand to the State by a bank, a savings institution, or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. If a surety bond is submitted, it shall be executed to the Director, Department of Transportation, State of Hawaii, upon the form provided (Appendix B, Attachment 2) by the

bidder as principal, and by any corporation organized for the purpose of becoming surety of bonds, authorized to do business in the State of Hawaii, in a penal sum equal to the amount required by law, conditioned upon the bidder entering into the contract and furnishing satisfactory security within ten (10) days after the bidder has received the contract for execution or within such further time as the Director may allow, in writing, if the bidder, is awarded the Contract.

12. AWARD OF BID, EXECUTION OF CONTRACT AND PERFORMANCE BOND

The responsible bidder whose total amount of minimum annual guaranteed fee bid for the entire term of the Contract is more than that of any other bidder, or who otherwise prevails as provided in this paragraph, shall be deemed the lowest responsible and responsive bidder for the purposes of Section 103D-302(h), HRS, and will be awarded the Contract. In the event of a tie, the responsible bidder whose total bid valuation (which is derived by applying the discount factor indicated on the bid form) for the entire term of the Contract is more than that of any other bidder, will be awarded the Contract. In the event of a further tie, the Director of Transportation shall select the bidder to be awarded the Contract based on the bidder's financial ability to deliver the goods or perform the work required and experience and competence in delivering similar goods or performing similar work.

The award of the Contract will be made with reasonable promptness after the bid opening, provided that the award may be delayed for a reasonable period to permit all necessary investigations to be made into the responsibility of the bidder to whom the Contract is proposed to be awarded. The State reserves the right to reject all bids if in the best interests of the Department of Transportation and to re-advertise the Contract.

The Contract shall be signed by the successful bidder and returned, together with a satisfactory Performance Bond, within ten (10) days after the bidder has received the Contract for execution, or within such further time as the Director may allow in writing. Failure to execute the Contract and to file an acceptable Performance Bond, as required, within ten (10) days after the bidder has received the Contract for execution or within such further time as the Director may allow in writing, shall be just cause for the annulment of the award and the forfeiture of the bid deposit to the State. If the successful bidder refuses or fails to execute the Contract, the State may award the Contract to the next lowest responsible and responsive bidder or publish another call for tenders.

The Performance Bond shall be for an amount equal to one-sixth (1/6th) the minimum annual guaranteed fee for the appropriate contract year. If the Performance Bond is for a period less than the full term of the Contract plus ninety (90) days, the Operator, at least sixty (60) days prior to the expiration date of the Performance Bond, shall submit another Performance Bond providing coverage beyond the expiration date of the prior Performance Bond. If the State should receive a notice cancelling the Performance Bond, the Operator shall provide the State with a replacement Performance Bond providing coverage from the effective date and time of the bond cancellation so that there is no period of time wherein a Performance Bond does not cover this Contract, as provided for herein. Such a replacement bond must be forwarded to and received by the State at least twenty (20) days prior to the effective date and time of the bond cancellation.

In the event that a replacement bond or another Performance Bond is not received by the State at least twenty (20) days prior to the effective date and time of the bond cancellation or expiration, as stated, the Contract shall be deemed in default, regardless of whether notice of breach or default or time to correct breach or default has been provided to the Operator by the State, and the full amount of the face of the bond shall be immediately payable to the State as liquidated damages. The Operator shall be deemed in default and the full amount of the face of the bond shall be immediately payable to the State as liquidated damages if the Operator shall fail to properly furnish the final certified accountant's annual verification report.

If the surety or sureties on the bond shall be other than a surety company authorized to do business under the laws of the State of Hawaii, the provisions of Section 103D-324, HRS, shall apply.

Letters of credit shall not be accepted by the Department as security for this bond.

The successful bidder shall pay the State the administrative costs in the amount of \$650.00 at the signing of the Contract.

If a Contract is entered into and the Performance Bond furnished within the required time, the Bid deposit shall be returned to the successful bidder. The Bid deposits made by unsuccessful bidders shall be returned to them after the Contract has been entered into or if the Contract is not awarded or entered into, after the Director's determination to publish another call for tenders.

13. TAXES

The successful bidder shall pay all taxes based on entire revenue as defined in the general terms and conditions of the Contract.

14. GENERAL INFORMATION

The attached Attachment 1 to the Instructions to Bidders (IB) provides information regarding the passengers in the present terminal building from 1983 through 1994. Attachment 2 to IB provides the reported gross receipts for the Automobile Parking Facilities from April 1, 1990 to October 31, 1994. Notwithstanding any provisions to the contrary, Attachments 1 and 2 to IB are for the general information of prospective bidders only and form no part of the contract document. The Department of Transportation does not guarantee nor warrant the correctness of the information contained in said Attachments 1 and 2 to IB.

Bidders are further advised that figures pertaining to the number of inter-island/overseas passenger arrivals and gross receipts from the Contract in prior years are representations of historical activity and not necessarily indicative of future trends or activity levels. Such passenger traffic may be subject to changes in airport activity, construction, or other events which may alter conditions.

Bidders should acquaint themselves with traffic patterns and conditions existing at the Airport. Such patterns or conditions are subject to change, adjustment or alteration, and therefor, cannot be considered permanent or subject to any compensation should future changes arise. The airport authority is responsible for providing convenient and efficient operation and functioning of its facilities and in so doing will seek to provide convenient and practical routing for passengers and users. Changes to security screening locations and retail outlet sites may be required during the period of the proposed contract. Such changes will be made at the discretion of the airport authority and will not provide the basis for any compensation, rebate or fee adjustment to the contract operator if potential or retail customer access is altered or reduced.

15. OTHER REQUIREMENTS

Each bidder shall carefully examine all bid documents and judge for itself all the circumstances and conditions affecting its Bid. Failure on the part of any bidder to make such examination and to investigate thoroughly shall not be grounds for any claim that the bidder did not understand the conditions

of the Bid. A bidder shall have the burden to notify the Director, in writing, of any ambiguity, inconsistency or conflict in the documents. Failure to so notify the Director in writing shall be deemed to be a waiver of that Bidder's right to claim an ambiguity, inconsistency or conflict in the terms.

16. ATTACHMENTS TO IB

- A. Attachment 1 to IB, Schedule 1 re (History of Passenger Traffic)
- B. Attachment 2 to IB, Schedule 2 re (Gross Receipts)
- C. Attachment 3 to IB, Question Submittal Form, Pre-Bid Conference

17. APPENDICES

- A. Notice of Intention to Bid
 - Appendix A, Attachment 1 (Qualification Questionnaire)
 - Appendix A, Attachment 2 (Tax Clearance)
- B. Bid
 - Appendix B, Attachment 1 (Affidavit)
 - Appendix B, Attachment 2 (Surety Bid Bond)
- C. General Terms and Conditions and Index
 - Appendix C, Attachment 1 (Exhibits)
 - Appendix C, Attachment 2 (Annex 1 - Assignment)
- D. Contract
- E. Combination Performance and Payment Bonds

HISTORY OF PASSENGER TRAFFIC

Airport statistical data on passenger counts are presented in the following table. Bidders should note that Hurricane Iwa hit on November 23, 1982, and there was a strike by United Airlines employees which lasted from May 16, 1985 to June 14, 1985. Further, the Persian Gulf War started on January 17, 1991 and ended on February 27, 1991.

KEAHOLE-KONA INTERNATIONAL AIRPORT INTER-ISLAND/OVERSEAS PASSENGERS (ARRIVALS, DEPARTURES, THROUGH)

<u>YEAR</u>	<u>INTER-ISLAND</u>	<u>OVERSEAS</u>	<u>TOTAL</u>
1983	1,198,811	28,988	1,227,799
(Overseas passengers - September thru December 1983 only)			
1984	1,297,830	129,602	1,427,432
1985	1,355,880	129,933	1,485,813
1986	1,532,246	159,096	1,691,342
1987	1,606,278	197,312	1,803,590
1988	1,663,799	159,750	1,823,549
1989	1,883,842	214,089	2,097,931
1990	1,949,484	229,212	2,178,696
1991	1,856,141	262,636	2,118,777
1992	1,882,941	278,995	2,161,936
1993	1,882,286	296,776	2,179,062
1994 (9 mos.)	1,443,579	224,118	1,667,697

Bidders are advised that figures pertaining to the number of inter-island/overseas passenger arrivals and gross receipts from concessions in prior years are representations of historical activity and not necessarily indicative of future trends or activity levels. Such passenger traffic may be subject to changes in airport activity, construction or other events which may alter conditions.

THE DEPARTMENT OF TRANSPORTATION DOES NOT GUARANTEE NOR WARRANT THE CORRECTNESS OF THE INFORMATION CONTAINED IN THIS ATTACHMENT.

ATTACHMENT 2 TO IB

GROSS RECEIPTS

AUTOMOBILE PARKING FACILITIES
KEAHOLE-KONA INTERNATIONAL AIRPORT

<u>Period</u>	<u>Gross Receipts</u>
April 1, 1990 - March 31, 1991	\$649,371.10
April 1, 1991 - March 31, 1992	699,388.09
April 1, 1992 - March 31, 1993	726,762.07
April 1, 1993 - March 31, 1994	757,901.75
April 1, 1994 - January 31, 1995 (10 mos.)	647,982.26

<u>Year 1990</u>	<u>Gross Receipts</u>	<u>Year 1992</u>	<u>Gross Receipts</u>
April	\$52,220.88	January	\$55,038.50
May	54,553.78	February	55,023.50
June	53,671.07	March	62,966.75
July	54,904.49	April	56,227.45
August	56,337.81	May	58,836.25
September	52,592.86	June	59,719.72
October	60,092.42	July	59,303.79
November	53,028.93	August	65,907.51
December	57,971.07	September	53,945.00
		October	58,058.25
		November	63,537.40
		December	65,341.90

<u>Year 1991</u>	<u>Gross Receipts</u>	<u>Year 1993</u>	<u>Gross Receipts</u>
January	\$55,293.29	January	\$60,664.30
February	49,485.15	February	60,538.50
March	49,219.37	March	64,682.00
April	56,331.01	April	58,496.10
May	59,954.80	May	61,014.25
June	59,605.00	June	60,355.85
July	54,848.28	July	60,527.80
August	62,395.25	August	69,443.00
September	54,927.25	September	60,887.00
October	54,776.50	October	59,358.00
November	56,731.50	November	65,843.35
December	66,739.75	December	67,477.75

<u>Contract Year 1994</u>	<u>Gross Receipts</u>
January	\$ 63,987.50
February	62,392.25
March	67,629.25
April	62,450.75
May	67,011.76
June	62,432.75
July	64,258.50
August	67,817.50
September	56,695.25
October	61,175.75
November	69,256.75
December	71,952.25

Bidders are advised that figures pertaining to gross receipts from the concession in previous years are representations of historical activity levels and not necessarily indicative of future trends or activity levels.

THE DEPARTMENT OF TRANSPORTATION DOES NOT WARRANT NOR GUARANTEE THE CORRECTNESS OF THE INFORMATION CONTAINED IN THIS ATTACHMENT.

APPENDIX B

BID

CONTRACT FOR THE MANAGEMENT AND OPERATION OF THE
AUTOMOBILE PARKING FACILITIES

AT

KEAHOLE-KONA INTERNATIONAL AIRPORT

KAILUA-KONA, ISLAND OF HAWAII

STATE OF HAWAII

Name of Bidder (Print) Ampco System Parking

Business Address (Print) 808 S. Olive Street, Los Angeles, CA 90014

APPENDIX B
BID

Director of Transportation
Department of Transportation
c/o Administrator
Airports Division
State of Hawaii
Honolulu International Airport
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880

Dear Sir:

The undersigned, as bidder, declares that the bidder has carefully examined all documents relating to the management and operation of the Automobile Parking Facilities at Keahole-Kona International Airport, Kailua-Kona, Island of Hawaii.

The bidder understands and agrees that:

1. In case of discrepancy between the words and figures in the Bid, the words shall govern; and
2. The Director of Transportation has the right to reject any and all Bids and to waive any defects when, in the Director's opinion, such rejection or waiver will be in the best interests of the Department of Transportation.
3. If this Bid is accepted, the bidder shall (a) execute an agreement with the State of Hawaii in the form provided by the State, and shall file a good and sufficient Performance Bond as described in the "Instructions to Bidders;" (b) comply with all of the terms and conditions of the contract documents; and (c) pay to the State for each year of the four (4)-year period of the contract either the minimum annual guaranteed fee (payment of said minimum annual guaranteed fee to be made monthly in advance) or seventy percent (70%) of the Operator's gross receipts, whichever is greater.

AMPCO SYSTEM PARKING

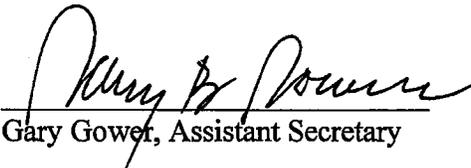
Certificate of Assistant Secretary

The undersigned, hereby certifies that he is Assistant Secretary of Ampco System Parking, dba Ampco Parking, a California corporation, and that as such he is authorized to execute this certificate on behalf of the Company, and further certifies, represents and warrants on behalf of the Company that the following resolution was adopted by the Board of Directors of the Company as of March 16, 1995:

RESOLVED, that Dennis Nasabal, Executive Vice President of the Company, is hereby authorized, empowered and directed to execute, in the name of and on behalf of the Company, any and all documents related to the Parking Lot Concession at the Keahole-Kona International Airport, Island Hawaii, State of Hawaii.

Date:

May 22, 1995


Gary Gowat, Assistant Secretary

(SEAL)

Minimum Annual Guaranteed Fee
(Written in Words)

	<u>Dollar Amount in Numbers</u>	<u>Discount Factor</u>	<u>Bid Valuation Tie-Breaker</u>
<u>1st Contract Year</u>			
Eight Hundred _____	(\$ 893,000 _____)	x 1.000)	= \$ 893,000 _____
Ninety Three _____			
Thousand _____ DOLLARS			
<u>2nd Contract Year</u>			
Nine Hundred _____	(\$ 920,000 _____)	x .9091)	= \$ 836,372 _____
Twenty Thousand _____			
_____ DOLLARS			
<u>3rd Contract Year</u>			
Nine Hundred _____	(\$ 948,000 _____)	x .8264)	= \$ 783,427 _____
Forty Eight _____			
Thousand _____ DOLLARS			
<u>4th Contract Year</u>			
Nine Hundred _____	(\$ 976,000 _____)	x .7513)	= \$ 733,268 _____
Seventy Six _____			
Thousand _____ DOLLARS			
	TOTAL BID	TOTAL BID VALUATION TIE BREAKER	\$ 3,246,067 _____
	\$ 3,737,000 _____		

(NOTE: FIGURES SHOULD BE TO THE NEAREST DOLLAR AMOUNT. THE MINIMUM ANNUAL GUARANTEED FEE FOR THE FIRST CONTRACT YEAR SHALL NOT BE LESS THAN FOUR HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$480,000.00). THE MINIMUM ANNUAL GUARANTEED FEE FOR EACH SUBSEQUENT YEAR SHALL NOT BE LESS THAN THAT BID FOR THE PREVIOUS YEAR NOR SHALL THE BID FOR ANY SUCH CONTRACT YEAR BE MORE THAN A FIFTEEN PERCENT (15%) INCREASE OVER THE BID FOR THE PREVIOUS CONTRACT YEAR.)

As part of this Bid, the bidder submits herewith the following:

1. The Affidavit, Appendix B, Attachment 1.
2. The Bid Deposits, referred to in Paragraph 11 of the "Instructions to Bidders," or the Bid Bond, Appendix B, Attachment 2.

DATED at Los Angeles, California, this 24th day of May, 1995.

Ampco System Parking

Bidder

By 

Its Executive Vice President

By _____

Its

- NOTE:
1. Signature(s) must be acknowledged accordingly on the form attached hereto.
 2. Attach separate sheet evidencing authority of person(s) signing this Bid including acknowledgement of signatures by a Notary Public. This may be in the form of a resolution, minutes of the corporation, pertinent extract of the By-Laws duly certified by the Secretary of the corporation, a valid power of attorney duly recorded with the Bureau of Conveyances, etc.

STATE OF _____)
COUNTY OF _____) SS
)

On this _____ day of _____, 19____
before me personally appeared _____
to me known to be the person(s) described in and who executed the
foregoing instrument, and acknowledged that _____
executed the same as _____ free act and deed.

Notary Public, _____ Judicial
Circuit, State of _____

My Commission Expires:

STATE OF California)
COUNTY OF Los Angeles) SS
)

On this 24th day of May, 1995
before me appeared Dennis Nasabal
to me personally known, who being by me duly sworn, did say
that he is (~~are~~) the Executive Vice President
of Ampco System Parking
and that the seal affixed to the foregoing instrument is the
corporate seal of said corporation and that said instrument was
signed and sealed in behalf of said corporation by authority of
its Board of Directors, and the said officers
acknowledged said instrument to be the free act and deed of said
corporation.

Los Angeles County
Notary Public, _____ Judicial
Circuit, State of California

My Commission Expires: 4/28/85

Rachel Solis



APPENDIX B, ATTACHMENT 1

AFFIDAVIT

STATE OF California)

COUNTY OF Los Angeles)

Dennis Nasabal being
first duly sworn deposes and says:

That the Bid filed herewith is not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation; that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not, directly or indirectly colluded, conspired, connived or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said bidder has not in any manner, directly or indirectly, sought by agreement, communication or conference with anyone to fix the bid price of said bidder or of any other bidder, or to fix any overhead, profit, or cost element of such bid price or that of any other bidder or to secure any advantage against the Department of Transportation of the State of Hawaii or anyone interested in the proposed Contract; that all statements contained in such bid are true; that said bidder has not, directly or indirectly, submitted his bid price or any breakdown thereof or the contents thereof, or divulged information or data relative thereto, or paid or agreed to pay, directly or indirectly any money, or other valuable consideration for assistance or aid rendered or to be rendered in procuring or attempting to procure the Contract to any corporation, partnership, company, association, organization, or to any member or agent thereof, or to any other individual; and further that said bidder will not pay or agree to pay directly or indirectly, any money or other valuable consideration to any corporation, partnership, company, association, organization or to any member or agent thereof, or to any other individual, for aid or assistance in securing Contract in the event the same is awarded to

Ampco System Parking

(Name of Individual, Partnership, Joint Venture or Corporation)

Further Affiant sayeth not.

DATED at: Los Angeles, California

May 24, _____, 1995.

A handwritten signature in black ink, appearing to be "M. ...", written over a horizontal line.

Title: Executive Vice President

Subscribed and sworn to before me
this _____ day of _____,
19____.

Notary Public, _____
State of _____

My Commission Expires: _____

STATE OF _____)
COUNTY OF _____) SS
)

On this _____ day of _____, 19____
before me personally appeared _____
to me known to be the person(s) described in and who executed the
foregoing instrument, and acknowledged that _____
executed the same as _____ free act and deed.

Notary Public, _____ Judicial
Circuit, State of _____

My Commission Expires:

STATE OF California)
COUNTY OF Los Angeles) SS
)

On this 24th day of May, 1995
before me appeared Dennis Nasabal
to me personally known, who being by me duly sworn, did say
that he is (~~are~~) the Executive Vice President
of Ampco System Parking
and that the seal affixed to the foregoing instrument is the
corporate seal of said corporation and that said instrument was
signed and sealed in behalf of said corporation by authority of
its Board of Directors, and the said officers
acknowledged said instrument to be the free act and deed of said
corporation.

Los Angeles County
Notary Public, _____ Judicial
Circuit, State of California

My Commission Expires: 4/28/95



Rachel Solis

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APPENDIX C

GENERAL TERMS AND CONDITIONS

CONTRACT
FOR THE MANAGEMENT AND OPERATION OF THE
AUTOMOBILE PARKING FACILITIES
AT KEAHOLE-KONA INTERNATIONAL AIRPORT
KAILUA-KONA, ISLAND OF HAWAII
STATE OF HAWAII

ARTICLE I. DEFINITIONS

A. Airport. Keahole-Kona International Airport as shown on Exhibit A, attached hereto and hereby made a part hereof.

B. Automobile. Any device by which any person or property may be propelled, moved or drawn upon a highway or public street, notwithstanding that the popular name of such device is other than "automobile."

C. Contract. Contract means the documents, which together shall cover the operation of the Automobile Parking Facilities consisting of the Notice to Bidders, Instructions to Bidders, Notice of Intention to Bid, Bid, General Terms and Conditions, Contract, Performance Bond, and the attachments thereto.

D. Director. The Director of Transportation, State of Hawaii, or his designated representative.

E. Operation. The exclusive right and obligation to manage and operate the automobile parking facilities at the Airport in accordance with the terms of the Contract.

F. Operator. The successful bidder for the exclusive privilege to manage and operate the parking facilities described in this Contract.

G. The term "Minority" means a person who is (1) Black (a person having origins in any of the black racial groups of Africa); (2) Hispanic (a person of Mexican, Puerto Rican, Cuban, Central or South America or other Spanish culture or origin, regardless of race); (3) Asian or Pacific Island (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands, including persons having origins in China, Japan, Korea,

the Philippine Islands and Samoa); (4) American Indian or Alaskan Native (a person having origins in any of the original peoples of North America and maintaining cultural identification through tribal affiliation or community recognition); and (5) Portuguese (a person of Portuguese, Brazilian, or other Portuguese culture or origin, regardless of race). This definition is also applicable to women as an additional, separate and distinct group.

H. The acronym "DBE" refers to Disadvantaged Business Enterprise.

"Disadvantaged Business Enterprise" means a small business concern which is at least fifty-one percent (51%) owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

I. Parking Facilities. The parking areas shown on Exhibits C-1, C-2, D, and E managed and operated by the Operator for use by the public and persons employed at the Keahole-Kona International Airport for parking of automobiles. These do not include other parking facilities not identified on said exhibits which may be leased directly to the airlines or its employees or otherwise managed by the Airports Division.

J. Premises. The area at Keahole-Kona International Airport as described in Article III hereof and shown on Exhibit B.

K. State. The State of Hawaii.

L. Term. The term of this Contract shall be for four (4) years commencing on the date specified under Article IV of this Contract.

ARTICLE II. MANAGEMENT OPERATING RIGHTS

Subject to all of the terms and conditions of this Contract, the Operator obligates itself to manage and operate the public and employee parking facilities at various locations on the Airport, as shown on Exhibits C-1, C-2, D, and E for automobile parking at the Airport. The Operator hereby

undertakes and agrees to perform all of the services provided for herein in connection with the operation of said automobile parking facilities.

State reserves the right (1) to add or delete metered parking spaces, parking areas, and the number of parking entrances and exits at various locations on the Airport; (2) to construct additional parking facilities to accommodate anticipated future parking requirements at the Airport; (3) to decrease, alter, adjust or restrict the size and/or use of all or any part of the parking areas, and any additional parking areas which may hereafter be made available; (4) to add lighting or security improvements which is necessary for the safe operation of the parking facilities, the exercise of any or all of the foregoing reserved rights shall be in the sole discretion of the State and may be exercised by the State at any time during the term of this Contract by giving to Operator a thirty (30)-day notice in writing of State's intention so to do. The number of car spaces shown on Exhibits C-1, C-2, D, and E is an approximation only of the present number of spaces, is given only for the information of the Operator, and does not constitute an agreement or warranty on the part of the State that the same number of spaces will be available at all times during the term hereof.

The State shall have the right to reserve the automobile parking spaces thereon, change or rearrange the entrances and exits, using temporarily or permanently such portions thereof as are necessary for the making of improvements and repairs to said parking facilities, and for the maintenance of facilities on said lots for the installation of improvements, service roads, or other facilities necessary for the operation and maintenance of the passenger terminal area or the automobile parking facilities, all in furtherance of the State's obligations in the promotion and accommodation of air commerce and transportation. Nothing herein shall be deemed to be a leasing of the parking areas to the Operator as shown on Exhibits C-1, C-2, D, and E but the Operator is granted herein only the right, privilege, and obligation to operate, manage, and maintain public and employee parking facilities thereon, the State retaining unto itself the possession thereof.

The State further reserves the right to provide parking areas, other than the Operator's areas, to its employees, airlines and other tenants incidental to their businesses at the Airport, with the understanding that the State will not award a contract to a competitor of the Operator similar to this

Contract. The State also reserves the right to provide substitute areas in the event that any portion of the parking facilities is closed.

ARTICLE III. PREMISES AND USE

In connection with the obligation to operate, the Operator shall have the exclusive right to use those certain areas hereinafter called the "Premises" at the Airport described as follows:

Space No. 004-103, containing a total area of 1,012 square feet, as shown on Exhibit B, indicated as "Exit Gate Plaza/Office."

Any additional space(s) at the Airport as the State in its sole discretion may deem necessary, may be made available to the Operator by the State, upon such terms and conditions as shall be mutually agreed upon, in writing, by and between the State and the Operator.

The Premises shall be used solely for an office to conduct business specifically associated with and in furtherance of the administration and operation of this Contract and exit gate plazas, and shall not be used for any other purposes.

ARTICLE IV. TERM

The term of this Contract shall be four (4) years, commencing July 1, 1995, and ending June 30, 1999, unless sooner cancelled and terminated as hereinafter provided.

ARTICLE V. PAYMENTS TO THE STATE

A. The Operator shall pay to the State, without notice or demand, for the rights and privileges herein granted, free from any and all claims, deductions or set offs against the State, and at such times and in such manner as is hereinafter provided:

1. For the four (4)-year period, the Operator shall pay a percentage fee or a minimum annual guaranteed fee, whichever is greater as shown below:

a. Percentage Fee. The sum of seventy percent (70%) of the Operator's annual gross receipts; or

b. Minimum Annual Guaranteed Fee. The minimum annual guaranteed fee set forth in the Operator's bid.

2. All fee and payments required of the Operator by this Contract shall be paid by it, without diminution or abatement, regardless of the existence or creation of any mode of transportation which serves the general public, whether or not such service is operated by public, quasi-public and/or private bodies and whether or not such service includes the Airport. Further, the Operator hereby waives any and all rights, present or future, that it may possess against any public, quasi-public and private bodies, including the State, because of the existence or creation of said mode of transportation.

B. Gross Receipts. The term "gross receipts" as used in this Article shall include all parking fees and charges derived by Operator from the parking or storage of automobiles as a result of the operation of the public and employee automobile parking facilities herein described including, but not limited to, gross receipts from parking meters, coin machines, concession or tenant validations and employee parking charges without any deduction of taxes. Gross receipts shall not include any fees assessed employees or patrons for deposits or parking passes or automated access system cards.

The Operator shall have the right to deduct from the gross receipts the credit card fees associated with providing the service stated in Article VII.C.1.(g)

The rate set forth in Paragraph G of this Article shall be the maximum chargeable by the Operator unless the State gives its prior approval and authorization to a rate increase. Operator is not authorized to pass on to its customers any taxes it may be required to pay to the State on account of the revenue it derives under this Contract.

The Operator shall not be credited with nor allowed any reduction in gross receipts which results from any arrangements for a rebate, kickback, or hidden credit given or allowed to any patron.

All "gross receipts" and security deposits as defined herein and received by Operator in its operation of the public automobile parking facilities at the Airport shall be deposited daily in a special account at a local bank on terms satisfactory to the Director. Deposits shall identify the source and type of

a. Percentage Fee. The sum of seventy percent (70%) of the Operator's annual gross receipts; or

b. Minimum Annual Guaranteed Fee. The minimum annual guaranteed fee set forth in the Operator's bid.

2. All fee and payments required of the Operator by this Contract shall be paid by it, without diminution or abatement, regardless of the existence or creation of any mode of transportation which serves the general public, whether or not such service is operated by public, quasi-public and/or private bodies and whether or not such service includes the Airport. Further, the Operator hereby waives any and all rights, present or future, that it may possess against any public, quasi-public and private bodies, including the State, because of the existence or creation of said mode of transportation.

B. Gross Receipts. The term "gross receipts" as used in this Article shall include all parking fees and charges derived by Operator from the parking or storage of automobiles as a result of the operation of the public and employee automobile parking facilities herein described including, but not limited to, gross receipts from parking meters, coin machines, concession or tenant validations and employee parking charges without any deduction of taxes. Gross receipts shall not include any fees assessed employees or patrons for deposits or parking passes or automated access system cards. Such amounts shall be deposited with the State and not be subject to any percentage assessment as identified in Article V.A.1.a. above.

The rate set forth in Paragraph G of this Article shall be the maximum chargeable by the Operator unless the State gives its prior approval and authorization to a rate increase. Operator is not authorized to pass on to its customers any taxes it may be required to pay to the State on account of the revenue it derives under this Contract.

The Operator shall not be credited with nor allowed any reduction in gross receipts which results from any arrangements for a rebate, kickback, or hidden credit given or allowed to any patron.

All "gross receipts" and security deposits as defined herein and received by Operator in its operation of the public automobile parking facilities at the Airport shall be deposited daily in a special account at a local bank on terms satisfactory to the Director. Deposits shall identify the source and type of

receipt. Security deposits shall include the name of the employee, customer or patron making the security deposit, and a copy of the receipt for such deposit.

C. Handling of Parking Fees. The fees established by the State for parking at all locations under this Contract are public funds of the State and shall be deemed to be held in trust by the Operator while the funds are in the Operator's custody and control. If any of these fees are lost, stolen or otherwise unlawfully removed from the control of the Operator, except where such loss or theft is the result of an external action which does not involve any employee of the Operator, such as armed robbery, and is not the result of the inadequacy of internal fiscal controls or condition associated with the performance of employees or oversight and management by the Operator, the Operator shall continue to be responsible. The Operator shall deposit (in the bank account designated by the State) a like sum within forty-eight (48) hours of the discovery of such loss, theft or unlawful removal.

D. Time of Payment. The Minimum Annual Guaranteed Fee required herein shall be prorated and paid monthly, in advance, but not more than one year in advance, on the first day of each and every month of each and every year of the term hereof.

On or before the twentieth (20th) day of each and every month following each month of each contract year during the term of this Contract, the Operator shall pay to the State the amount, if any, by which the percentage fee required for the preceding month exceeds the amount of the minimum annual guaranty for said month.

The monthly payments of the Operator shall be subject to readjustments at the end of each contract year in order that at the end of each and every contract year during the term of this Contract, the Operator shall have paid to the State that amount based upon either the percentage of annual gross receipts or upon the minimum annual guaranteed fee, whichever is greater.

E. General Payment Provisions. All payments of money required to be made by the Operator to the State hereunder shall be made when due in legal tender of the United States of America at the Airports Division Office at the Airport, or at such other place as the State may designate in writing.

Without prejudice to any other remedy available to the State, Operator agrees without further notice or demand, as follows:

1. To pay interest at the rate of one percent (1%) per month, compounded monthly, on each delinquent payment;

2. To pay a service charge of \$25.00 per month on all delinquent accounts, or such other charge as may be prescribed by rules adopted by the State, provided that in no event shall a service charge in excess of \$50.00 per month be levied under this Contract.

3. That the term "delinquent payment" as used herein means any payment of rent, fees or other charges payable by the Operator to the State, which is not paid when due.

The termination of this Contract by the lapse of time or otherwise shall not relieve the Operator of its obligation to pay any payment, fees, or charges accrued during a period in which the Contract is in effect which are unpaid at the time of any such termination.

If the Contract terminates without fault of the Operator on any day other than the last day of any calendar month, the applicable payments, fees and charges, for said month shall be paid pro rata in the same proportion that the number of days the Contract is in effect for that month bears to thirty (30) days.

The Operator shall turn over to the State or anyone identified by the State any and all advanced parking fees which have been collected for periods beyond the term of this Contract and cannot deduct any percentage fee from such amounts. The Operator shall be entitled to any portion of advanced parking fees paid by any customer, employee or patron which may have been collected by the prior operator before the commencement of the term of this Contract, where the fees collected by the prior operator is for parking beyond the term of the prior operator's contract.

F. Business Records. In connection with the obligations of the Operator set forth herein, the Operator shall:

1. Use its best efforts in every proper manner to maintain, develop, and increase the parking business conducted by it hereunder.

2. Not divert or cause to be diverted, any business which would reduce revenues to the Airport.

3. Maintain in accordance with accepted accounting practice during the term of this Contract and for three years thereafter or until the Operator shall receive written permission from the State to do otherwise, current records and reports of account, i.e., Operator's daily report of gross receipts, cash register tapes, and parking tickets, recording the gross receipts collected by the Operator under the Contract, all of which records and reports of account shall be kept at all times within the State of Hawaii.

4. Permit the inspection by the officers, employees and representatives of the State of any evidences of sums collected and of equipment used by the Operator, including but not limited to ticket machines and cash registers, tape readings and metered readings.

5. Use such cash registers, ticket machines, or any other equipment or devices, provided by the State, for recording receipts as may be appropriate to the Operator's business or necessary or desirable to keep accurate records of gross receipts of the operation.

6. Furnish to the State for each calendar month, within twenty (20) days following the last day of the calendar month next preceding, a statement of all gross receipts for the said preceding month, which statement shall be certified to by a qualified representative of the Operator, and which certification shall include a statement that that person has examined the reports, records and other evidence of the gross receipts for the period reported, and that to the person's knowledge the statement thereof is true and correct. Such statement shall also contain such reasonable detail and breakdowns including a daily report of revenues from various sources and be in or upon such form as the State may require.

7. Submit to the State on or before the sixtieth (60th) day following the end of each Contract year at the place fixed for the payment of fees and charges, a statement certified as correct by the Operator, or by a person duly authorized by the Operator to so certify, showing in accurate detail the amount of gross receipts during the preceding Contract year, duly verified by an independent Certified Public Accountant. The statements referred to herein shall be in such form and style and contain such details and breakdowns as the State may reasonably require. Without prejudice to any remedies herein provided for Operator's default, if the Operator shall fail to promptly furnish any such independent Certified Public Accountant's Annual Verification Report within sixty (60) days after the end of each accounting year, the State may have such report prepared on the Operator's

behalf by an accountant to be selected by the State, at the expense of the Operator. The Operator shall furnish to such accountant all records requested for the purpose of preparing such reports, and the Operator shall pay to the State all expenses incurred by the State in securing such reports. Furthermore, the State may make assessments upon the Operator by recourse to such procedures selected by the State which would produce a reasonable gross receipts expectation upon which percentage payments may be computed. In the event that records have not been prepared and kept in accordance with the provisions set forth herein, the State shall, in addition to all other payments required herein be entitled to demand and receive an additional payment of ten percent (10%) of the applicable minimum annual guaranty for the period or periods involved.

8. Grant unto the State at all reasonable times access to all records and reports as herein defined, including gross income tax reports, showing gross receipts, and at any reasonable time on five (5) days' written notice will permit a complete audit to be made by the State's Accountant or by a Certified Public Accountant of the Operator's reports and records relating to the gross receipts collected by the Operator at the Airport for the term of the Contract. The Operator will cooperate fully in making of any inspection, examination or audit. Should such audit disclose that fees and charges have been underpaid by five percent (5%) or more for any period under examination, the State shall be entitled to reimbursement of the reasonable cost of any such audit in addition to the deficiency. If such audit shall disclose that fees and charges have been underpaid by ten percent (10%) or more for the period under examination, the State shall have the right, upon ten (10) days' advance written notice, to terminate this Contract.

G. Public Automobile Parking Charges. The rates for transient public automobile parking shall, at all times be posted at each entrance to the parking lots and at each revenue collection point at any parking exit in clearly legible signs of a type and character approved by the Director. Automobile parking rates of the Operator shall be as follows:

Public Parking

Up to the first half hour	\$ 1.00
For each additional hour	\$ 1.00
Maximum for each 24-hour period	\$ 7.00
Monthly rate	\$70.00
Employee rate	\$18.00
Lost ticket rate	\$ 7.00 per day

behalf by an accountant to be selected by the State, at the expense of the Operator. The Operator shall furnish to such accountant all records requested for the purpose of preparing such reports, and the Operator shall pay to the State all expenses incurred by the State in securing such reports. Furthermore, the State may make assessments upon the Operator by recourse to such procedures selected by the State which would produce a reasonable gross receipts expectation upon which percentage payments may be computed. In the event that records have not been prepared and kept in accordance with the provisions set forth herein, the State shall, in addition to all other payments required herein be entitled to demand and receive an additional payment of ten percent (10%) of the applicable minimum annual guaranty for the period or periods involved.

8. Grant unto the State at all reasonable times access to all records and reports as herein defined, including gross income tax reports, showing gross receipts, and at any reasonable time on five (5) days' written notice will permit a complete audit to be made by the State's Accountant or by a Certified Public Accountant of the Operator's reports and records relating to the gross receipts collected by the Operator at the Airport for the term of the Contract. The Operator will cooperate fully in making of any inspection, examination or audit. Should such audit disclose that fees and charges have been underpaid by five percent (5%) or more for any period under examination, the State shall be entitled to reimbursement of the reasonable cost of any such audit in addition to the deficiency. If such audit shall disclose that fees and charges have been underpaid by ten percent (10%) or more for the period under examination, the State shall have the right, upon ten (10) days' advance written notice, to terminate this Contract.

G. Public Automobile Parking Charges. The rates for transient public automobile parking shall, at all times be posted at each entrance to the parking lots and at each revenue collection point at any parking exit in clearly legible signs of a type and character approved by the Director. Automobile parking rates of the Operator shall be as follows:

Public Parking

Up to the first half hour	\$.50
For each additional hour	\$.75
Maximum for each 24-hour period . . .	\$ 6.00
Monthly rate	\$60.00
Employee rate	\$16.00
Lost ticket rate	\$ 6.00 per day

Employee rates shall be extended to the employees of tenants of the Airport or who possess active business permits with the State Airports Division.

Late Payment Charges. The Operator may assess employees a late payment charge of ONE DOLLAR (\$1.00) for each transaction which occurs after the first day of any month for which parking is purchased. The assessment of such charge shall be clearly posted where employees purchase parking permits.

The Operator shall not add taxes to the rates listed above.

No changes in parking rates will be allowed without the prior approval and authorization of the State.

H. Employee Parking. The Operator agrees to place and maintain in effect separate monthly rates for employees as hereinafter defined. No taxes may be added by the Operator. As used herein, the term "employee" shall include all employees of any lessee, tenant, permittee, contractor, or concessionaire of the Airport. Furthermore, it shall be extended to include those Airport tenants that have airport establishments outside the Airport such as the airline tenants. Verification will be required in the form of a driver's license to confirm that the domicile of these employees is in the County of Hawaii. Rates and parking locations for State's employees shall be prescribed by the State. Employees shall be furnished monthly pre-numbered sticker emblems or automated access system cards by the Operator for control purposes. Employee parking shall be limited to the areas denoted in Exhibit D and any other area as may be determined by the State.

I. Tenant Patron Discount Parking. The Operator agrees to place and maintain in effect optional discount parking rates which can be purchased to permit reduced rate parking for patrons of airport tenants. Rates for such parking shall be negotiable and subject to prior approval by the State.

J. Handicapped Persons. The Operator agrees to grant the right to park all vehicles owned and/or operated by a handicapped person and identified by authorized handicapped permits in such area(s) of the Parking Facilities and to charge only such fees to such handicapped persons as may be designated by the State or by law.

K. Official Vehicles. The Operator specifically agrees to grant the right to park all vehicles with Department of Transportation, Airports Division's permits, or validation and

other official marked vehicles of the State, County and Federal governments as may be approved by the Director without charge in such area(s) of the Parking Facilities as the State may designate.

L. Additional Charges. In addition to the right of the State to terminate this Contract pursuant to Articles XVI and XVII hereof, the State may levy on and collect from the Operator a charge of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00) per day for each day the Operator is in violation of any of the terms of this Contract; provided that there shall be no levy unless the violations continues beyond the period specified in Article XVI for remedial action; and provided further that separate charges may be levied for violations of separate provisions even though the violation may be concurrent. Payment of the additional charges shall be due on demand.

M. Emergency Conditions. In the event of emergency conditions or natural storms of significant magnitude and intensity to pose a threat to life or property, the Operator shall upon direction or concurrence of the State allow all patrons, customers or users of the airport parking areas to leave without requiring payment for any accrued parking charges or fees. Under such conditions or situations, neither the State nor the Operator shall be eligible to recover financial losses resulting from such occurrence as it shall be understood that such arrangement is undertaken in the interest and benefit of public safety.

ARTICLE VI. OBLIGATIONS OF THE STATE

A. Duties of the State. In connection with the operation of the automobile parking facilities at the Airport, the State shall:

1. Provide all of the existing and additional exit booths for the operation by the Operator of the automobile parking facilities for the State;

2. Provide and maintain paving (except for pavement with spikes or associated with parking control devices), drainage and overhead lighting fixtures, including lamps and replacement thereof, necessary for the preparation and use of said facilities or structures for automobile parking.

3. Provide all necessary transitional (existing) parking control equipment to the Operator such as, ticket spitters or dispensers, mechanical gates and arms, parking meter

posts, vehicle counting equipment and cash registers and/or any parking revenue control equipment necessary or required by the State at each entrance and exit to each of the public parking lots assigned to the Operator. The ticket spitters shall be so equipped that they will time and date the ticket dispensed. The maintenance and repair of the foregoing and the installation as stated in Article VII.C. shall be the responsibility of the Operator.

4. Maintain in good order, condition and repair, all drainage and lighting fixtures, and furnish, at the State's expense, water only for the parking facilities and not the Premises as defined in Article I.J.

5. Provide electric and other directional or informational signs, repainting of parking lot markings, striping, repair of parking lot paving, boundary fencing and landscaping.

6. Provide for security services in safeguarding the parking facilities and issuing citations to enforce County ordinances and the rules and regulations of the State.

7. Provide for the repair of all damages to the parking facilities except the parking control equipment and related appurtenances.

ARTICLE VII. OBLIGATIONS OF THE OPERATOR

A. Quality and Level of Personnel Services. In the operation of the automobile parking facilities herein authorized and the manner and method of the conduct thereof at the various parking facilities, Operator shall maintain the highest degree and standards of courtesy, polite and inoffensive conduct and demeanor on the part of its representatives, agents, servants and employees, and in particular, shall at all times during the term of this Contract, strictly comply with the following conditions and requirements.

1. Operator shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to customers, patrons or other tenants of the Airport. The playing of radios, tape players, disc players and other audio devices will not be permitted at the exit booths.

2. Operator shall select and appoint, subject to the written approval of the State, a full-time manager of its operation of the parking facilities herein authorized. Such

person must be an outstanding, highly qualified and experienced manager of automobile parking facilities, vested with the full power and authority, with respect to the method, manner or conduct of the operation of the automobile parking facilities at the Airport. Such manager shall be assigned to a duty station or office at the Airport where he shall be available during regular business hours, and at all times during his absence an equally qualified subordinate shall be in charge and available at such duty station.

3. Operator shall control the conduct demeanor and appearance of its officers, agents, employees and representatives. The attendants, while on duty, shall wear uniforms previously approved in writing by the State, which shall, at all times, be maintained in a neat, orderly and clean condition. Such attendants shall be trained by the Operator to render a high degree of courteous and efficient service and it shall be the responsibility of the Operator to maintain close supervision over such attendants to assure the rendering of a high standard of service to the public and the patrons of the automobile parking facilities. Upon objection from the State concerning the conduct, demeanor or appearance of any such persons, the Operator shall forthwith take all steps necessary to remove the cause of the objection.

4. The Operator shall supply at its expense all personnel required to operate the automobile parking facilities and shall supply adequate number of operating personnel to prevent delays of more than five (5) minutes to the public exiting through the exit plaza(s).

B. Hours of Service. Operator shall keep the public and employee facilities, described herein, in operation and open for public service every day beginning one-half hour before and ending one-half hour after all scheduled flights; provided that satisfactory arrangements shall be made to accommodate the users of the public and employees' facilities described herein during non-operating hours. The Operator shall provide personnel sufficient, in the opinion of the State, to maintain an excellent quality of service to the public during the term of this Contract.

C. Parking and Revenue Control. Operator shall replace all transitional (existing) parking control equipment at the Operator's expense within ninety (90) days after the completion of the newly renovated parking facilities.

1. To ensure a consistent level of control, the control system shall include but not be limited to the following:

- (a) All components shall have been in successful service at no less than five (5) parking facilities in the State of Hawaii operating in an environment similar to that of Keahole-Kona International Airport for at least two (2) years, and also have installed at five (5) major airports in the United States (a minimum classification as a "small hub*") with a successful operating record for at least two (2) years.
- (b) Have a servicing company in Hawaii for repairs and spare parts.
- (c) Designed specifically for parking management and revenue control.
- (d) Designed to minimize the use of cash (utilizes a non-magnetic credit card capable of handling at least 3,000 cards).
- (e) Designed for audit of vehicles and revenues on an on-line basis. Includes automatic/on-line ticket readers, numerical controls (tickets), vehicle count, time brackets, group control (i.e., employee cards, tenants, others).
- (f) Designed for remote auditing by the State via telephone lines (State to furnish remote terminal/printer and telephone lines).
- (g) Designed to accommodate the usage of credit cards. It should be capable to accept a minimum of four (4) to six (6) most widely circulated credit cards in the United States. All fees, rentals, installation equipment cost, it., associated with the use of universal type credit cards shall be borne by the Operator, but the credit card fees associated with providing this service

*Small Hub: Annual enplanements must be a minimum of 241,545 passengers.

may be deducted from the Operator's gross receipts as that stated in Article V.B.

2. Operator shall collect from all persons utilizing said automobile parking facility the fees or charges set forth in Article V.

3. Operator shall furnish all printed tickets which are compatible with the transitional ticket spitters in service at the start of the Contract. These tickets shall be numbered consecutively, with the numbers guaranteed by the printer.

4. In the event a ticket is lost by a patron of the parking facilities, the Operator shall provide all necessary information on a lost ticket report and collect appropriate charges as due from the patron.

5. Operator shall submit a list of the vehicles and/or persons that are permitted to park without payment or charges, subject to the Director's written approval.

6. Operator shall conduct its operation on a fair, equal and not unjustly discriminatory basis to all users of the parking facilities and shall charge fair, reasonable and not unjustly discriminatory prices for services; provided that the Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers/users.

7. Operator shall install, remove, maintain, repair or replace all parking meters or self collection boxes at its expense when and where deemed necessary by the State. Meter or self collection box rates shall be subject to prior approval by the State.

8. Operator shall post the parking rates at the entrances of all public parking lots.

9. Operator shall post signs that (1) indicate: "VEHICLE LEFT OVER 30 DAYS SUBJECT TO TOWING AT OWNER'S EXPENSE. IN ADDITION, OWNER SHALL BE HELD RESPONSIBLE FOR ALL ACCUMULATED PARKING COSTS AND FEES. EXTENDED PARKING AVAILABLE THROUGH WRITTEN AUTHORIZATION FROM PARKING OFFICE. CALL (Operator's Phone No.) FOR INFORMATION, SECTION 19-15.1, HAWAII ADMINISTRATIVE RULES"; (2) indicate: "VEHICLES NOT PARKED IN MARKED STALLS WILL BE CITED AND ARE SUBJECT TO REMOVAL BY TOWING, SECTION 19-15.1, HAWAII ADMINISTRATIVE RULES"; (3) indicate the parking lot's hours of operation; and (4) "CREDIT CARDS ACCEPTED".

10. Operator shall be responsible for the removal of vehicles not in marked stalls, if necessary.

11. In the event a stolen car is found within the parking facilities and is recovered by its owner, the Operator shall allow the owner to remove his/her car free of parking charges if the owner presents a statement signed by the Airport Manager and the Police verifying that: (1) the vehicle was indeed stolen, (2) the vehicle was placed within the parking facilities without the owner's acknowledge, and (3) the owner is allowed to take possession of and remove the vehicle from the parking facility.

D. Ownership of Parking and Revenue Control System.
The Operator shall retain ownership of all of the equipment installed for the duration of the term of the Contract. However, at the termination or expiration of the Contract, such equipment shall remain at the parking facilities with the title given to the State. All facets of the system must be operational at the end of the contract term.

Should the Operator fail to turn over its parking and revenue control system operating satisfactorily to the State, such action will be grounds for disqualifying the Operator from bidding for such services for three (3) subsequent years from the end of the Contract.

E. Maintenance.

1. Except for maintenance operations which are the obligation of the State under Article VI, the Operator shall maintain the Premises and improvements thereon and all the parking facilities in good condition, in a manner satisfactory to the State.

2. The maintenance of the Premises and parking facilities and all equipment and materials used by the Operator therein or thereon shall at all times be kept clean, sanitary and free from rubbish, trash, refuse, debris, dust, dirt, and offensive or unclean material. Operator shall clean said parking lots and parking stalls and roadway areas in the parking facilities as necessary to keep the same in a clean and presentable condition to include annual detergent scrubbing and washdown to remove grease, dirt and accumulated oils on roadways and parking stall areas in the parking facilities. Operator shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse resulting from the operation of the parking facilities. Operator shall provide and use suitable covered metal receptacles for all garbage, trash and other refuse on or in connection with the parking facilities and the Premises. Piling of boxes, cartons, or other similar items, in an unsightly

or unsafe manner, within the parking facilities or the Premises, is forbidden. Broken glass, bottles, cans, spilled food stuffs or any material that may create a hazard within the parking facilities shall be removed at once. Operator shall cause the parking facilities to be inspected not less than once each day.

3. Operator shall be responsible for the disposal, removal, and storage of abandoned automobiles from the parking facilities whenever it has been determined that said automobiles have been parked in excess of thirty (30) days without the arrangements having been made therefor.

4. Operator shall maintain and repair as necessary or required, and at his own expense all of the parking equipment provided by the State.

5. Operator shall at least once during the term of the Contract, paint the Premises in Exhibit B hereof.

6. Operator shall provide janitorial services as often as necessary to maintain areas of responsibility in a neat, clean, and sanitary condition as specified in this Contract.

F. Conditions Governing Improvements and Alterations. No improvements, structures, facilities, alterations or additions hereof shall be made in, to or upon the parking facilities and the Premises by Operator without the prior written approval of the Director which approval shall not be unreasonably withheld.

G. Restrictions and Regulations. This Contract including the parking facilities and the operation thereof by the Operator shall be subject to:

1. Any and all applicable rules, regulations, orders and restrictions which are now in force or which may be hereafter adopted by the State with respect to the operation of the Airport.

2. Any and all orders, directions or conditions issued, given or imposed by the State in respect to the use of the roadways, driveways, curbs, sidewalks or parking areas, and public areas adjacent to the automobile parking facilities; and

3. Any and all applicable laws, ordinances, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Airport or Operator's business hereunder.

H. General Excise Taxes. The Operator shall be responsible for payment of general excise taxes based on entire gross receipts.

I. Hazardous Materials. The Operator agrees to accept the land in "AS IS" condition. Furthermore, the Operator shall indemnify, hold harmless, and defend the State, its officers, directors, employees, agents, lenders, successors and assigns from and against any loss, damage, cost, expense or liability, including attorneys' fees, directly or indirectly arising out of or attributable to the use, generation, handling, storage, release, or presence of hazardous materials on, under or about the Premises. The representations and indemnities set forth by Operator in this paragraph shall survive the expiration or termination of the Contract or the transfer of any interest in the Contract by the Operator.

The Operator shall have a due diligence period of sixty (60) days from award to conduct a Phase I Environmental Study at its own cost.

J. Customer Claims and Disputes. The Operator shall send within twenty-four (24) hours to its insurance carrier for adjustment all claims against the Operator for personal injury or property damage.

The Operator, whenever possible, will notify Airport police to report personal injury or property damage.

The Operator will notify Airport police whenever a claim is made for damages done by a customer's vehicle.

All customer claims and disputes will be handled by supervisory personnel only.

The Operator will notify Airport police whenever Operator's personnel observe a customer's vehicle damaging another vehicle parked in public parking structures or employee parking lots.

The Operator will answer all customer correspondence within seventy-two (72) hours of receipt.

The Operator shall forward copies of all customer letters and responses to them to the Airport Manager regularly and promptly for his information.

ARTICLE VIII. UTILITIES

A. Connection. The State has, at its own cost and expense, brought upon the Premises and parking facilities, such public utility services as electricity, water, sewage, and telephone. Any modifications or alterations to the public utility system shall be the responsibility of the Operator. The Operator shall be responsible at its own cost and expense for modifications, including connections thereto and therewith.

In the event the State requests the installation of electric submeters on the Premises, the Operator shall do so at its own expense.

B. Non-Liability for Interruption. No failure, delay or interruption in any utility service or services, whether such are supplied by the State or others, shall relieve or be construed to relieve the Operator of any of its obligations hereunder or shall be construed to be an eviction of the Operator, or shall constitute grounds for any diminution or abatement of the fees and charges provided for herein, or grounds, for any claim by the Operator against the State for damages; consequential or otherwise unless first approved, in writing, by the State. However, the State shall proceed as soon as possible to correct the cause of any such failure or interruption.

In any event where damage to any utilities service lines is caused by the Operator, its employees, contractors, suppliers, agents or invitees, the Operator shall be responsible for the cost of repairs.

C. Payment. The Operator shall be responsible to pay for only the electricity costs at the offices/exit plaza.

ARTICLE IX. SIGNS

Signs installed by the Operator shall be substantially uniform in size, type, and location with those of other signs at the Airport; the number, general type, size, design and locations of such signs to be subject to the prior written approval of the Director, which approval shall not be unreasonably withheld. Advertising signs and displays are prohibited.

Upon the expiration or the sooner termination of this Contract, the Operator if requested by the State, shall remove, obliterate, or paint out any and all advertising signs, posters and similar devices placed by the Operator on the Premises and

restore any wall or surface area to which may have been affected by any previous signage installation. In the event of the failure on the part of the Operator to so remove, obliterate, or paint out each and every sign or piece of advertising so requested by the State, the State may perform such work and the Operator shall pay to the State the cost thereof upon demand.

Nothing in this Article contained shall limit nor be construed to limit the effect of the provisions of Article XII hereof.

ARTICLE X. INGRESS AND EGRESS

The Operator, its employees, customers, guests, contractors, suppliers of material, furnishers of services, and invitees, in common with others shall have the nonexclusive right of ingress and egress from the Premises and such other portions of the Airport area to or from which such persons shall reasonably require ingress or egress, in such manner, upon such terms and at such locations as the State may from time to time designate; provided, however, that the aforementioned right of ingress and egress as it applies to the suppliers of any flammable fuel or other such product or materials shall be subject to the prior written permission of the State.

The privilege of ingress and egress at the Airport shall be subject to the rules and regulations of the State now in effect or which may hereafter be promulgated or amended for the safe and efficient operation of the Airport. The State may, at any time, temporarily or permanently, close or consent to or request the closing of, any roadway and any other area at the Airport presently or hereafter used as such, so long as a reasonable alternative means of ingress and egress remains available to the Operator. The State may at any time temporarily or permanently close, change or alter pedestrian traffic routing through any part or parts of the Airport and its terminal building areas. Such adjustments or changes may directly or indirectly affect the amount and flow of potential customer traffic; however, by entering into this Contract, the Operator recognizes and agrees that such changes are within the operational control and responsibility of the State. The Operator hereby releases and discharges the State, its successors and assigns, of and from any and all claims, demands or causes of action which the Operator may now or at any time hereafter have against any of the foregoing arising or alleged to arise out of the closing of any street, roadway, or other access area, whether within or outside the Airport.

In the event the State is required or elects to impose access restrictions against the general public in the interest of establishing or maintaining safety and security, and in so doing significantly affects the number and amount of potential patrons to areas occupied by the Operator for parking activities, the Operator shall by virtue of such immediate changed condition, not be entitled to any rebate or relief from any or all guaranteed fee payments. The Operator in entering into this contract recognizes the State's right and responsibility to provide convenient and efficient public access and thoroughfare and, therefore, acknowledges the State's right to adjust, amend, alter or otherwise revise pedestrian and vehicular traffic patterns in the best interest of the operation of the Airport as determined by the State. The Operator may not claim for any rebate or adjustment to fees for any change which may arise as a result of the State's revision or adjustments to pedestrian and vehicular routes.

ARTICLE XI. LIABILITY AND INDEMNITY

The use of the Airport and the Premises by the Operator, its agents, employees and guests shall be at their own risk. The State shall not be liable for, and the Operator agrees that it shall at all times with respect to the Premises granted herein and the Parking Facilities under its operation and management use due care for public safety and shall save and hold harmless, indemnify, defend and insure the State, its successors and assigns, tenants, lessees and licensees against loss or damage to property of the State or to the property of others and from all claims, costs, and liabilities for injury to or death of persons or when such loss, damage, injury or death arises or results from any acts or omissions of the Operator, its officers, agents, employees, contractors, and guests (including invitees and licensees) in connection with the use or occupancy of the Premises or any other portion of the Airport.

ARTICLE XII. SURRENDER OF PREMISES

The Operator shall yield and deliver peaceably to the State possession of the Premises and leasehold improvements thereupon on the date of the cessation of the Contract whether such cessation be by termination, expiration or otherwise, promptly and in a condition similar to that which existed at the commencement of the Contract or at the time of installation of the improvements, reasonable wear and tear arising from use of

the Premises to the extent permitted elsewhere in this Contract and damage resulting from causes over which the Operator had no control, excepted.

In the event the Operator is not the successful recipient of the parking facilities contract beyond the period prescribed by this agreement, the Operator shall assist in the peaceful transition and occupancy by the replacement operator. Provision shall be made to transfer to the State any advanced parking rental income and security deposits collected by the Operator for any period beyond the scheduled expiration date of this Contract and to allow entry into and upon the Premises by the replacement operator during all reasonable hours and time prescribed by the State. In the event of dispute or disagreement, the State shall be deemed the sole arbiter for resolution and the Operator agrees to abide by any decision rendered by the State. The Operator shall not remove, destroy or otherwise render unusable any item, article, fixture or portion of the Premises deemed by this Contract to be a part of the fixed improvements. Any violation of this condition shall render the Operator responsible and liable for replacement or remedy.

ARTICLE XIII. COMPLIANCE WITH LAWS

The Operator shall at all times during the term of this Contract and with respect to all phases of the installation, construction, repair, maintenance and operation of the parking facilities, comply with all applicable ordinances, laws, rules and regulations of the County of Hawaii, the State, and of the United States of America, and of any political subdivision or agency, authority, or commission thereof, which may have jurisdiction to pass laws or ordinances or make and enforce rules and regulations with respect to the Parking Facilities, the Premises, or the Airport.

The Operator shall also take out and keep current all licenses and permits (whether municipal, state, or federal) required for the conduct of the Parking Facilities business at the Airport, and pay promptly all fees when due.

Notwithstanding the foregoing provisions, Operator shall have the right, in its own name, to contest in good faith the validity or applicability of any law, ordinance, rule or regulation of any governmental body or agency to the Parking Facilities premises or Operator's operation thereof. The fact that the Operator may, in connection with such contest, refrain from complying with such law, ordinance, rule or regulation,

shall not affect in any way the Operator's obligation to (1) refrain from subjecting any part of the Premises to forfeiture or loss, and (2) pay the fees set forth in Article V.

ARTICLE XIV. RIGHTS OF ENTRY RESERVED

The State, by its officers, employees, agents, representatives, and contractors shall have the right at all business hours with reasonable notice to enter upon all portions of the Premises for the purpose of inspecting the same, for observing the performance of the Operator of its obligations under this Contract, and to serve or post or keep posted thereon notices provided by any law or rules or regulations of the State or the Premises, and for the doing of any act or thing which the State may be obligated or have the right to do under this Contract or otherwise.

Without limiting the generality of the foregoing, the State, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Operator, or for the benefit of persons other than the Operator at the Airport, to maintain existing and future utility, mechanical, electrical, and other systems and to enter upon said Premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the State, be necessary or desirable and, from time to time, to construct or install over, in or under the Premises for access to other parts of the Airport not otherwise conveniently accessible. The State shall return the Premises to the same condition as existed prior to the State's entry upon said Premises.

Nothing in this Article shall impose or shall be construed to impose upon the State any obligations so to construct or maintain or to make repairs, replacements, alterations, or additions or shall create any liability for any failure to do so.

At any time and from time to time during ordinary business hours within the three (3) months next preceding the expiration of this Contract, the State by its agents, and employees, whether or not accompanied by prospective operators, or by occupiers or users of the Premises, shall have the right to enter upon all portions of the Premises for the purposes of exhibiting and viewing all parts of the same, provided the State does not unreasonably interfere with the conduct of the Operator's business.

No abatement of rental shall be claimed by or allowed to the Operator by reason of the exercise by the State of any or all of the rights contained in this Article; provided, however, that nothing in this Article contained shall permit or be construed to permit the State to exercise any right of access or entry for any of the purposes denoted hereinabove except at reasonable times and in such a manner as to not unreasonably interfere with or hinder the use, occupancy, and enjoyment of the Premises by the Operator.

ARTICLE XV. INSURANCE

A. Liability. The Operator shall at its own cost and expense procure and maintain in full force and effect throughout the term of the Contract, or any extension thereof, insurance protecting the State for damages for bodily or personal injury, death or property damage occasioned by any use of the Airport by the Operator, its officers, employees, or agents, or any use of the automobile parking facilities by the same and any invitees, patrons, or guests of the Operator, with minimum liability limits of \$1,000,000.00 per person; \$1,000,000.00 per accident; and \$100,000.00 property damage. The Operator shall also provide Garage Keeper's Liability Insurance for fire, explosion or theft of an entire vehicle in an amount not less than \$1,000,000.00.

B. Property. The Operator shall at its own cost and expense procure and maintain in full force and effect throughout the term of the Contract, or any extension thereof, such insurance against fire, extended coverage, theft, vandalism and malicious mischief upon the Premises and any improvements, fixtures, and equipment thereupon as would be procured and maintained by a reasonable and prudent owner thereof.

C. Other. The Operator shall in addition to the foregoing, at its own cost and expense, procure and maintain workmen's compensation coverage.

D. Form and Evidence. All such insurance policies or certificates required by this Article shall be issued by an insurance or surety company and companies of sound and adequate financial responsibility licensed to do business in the State of Hawaii.

The Operator shall deposit with the State a copy or copies of such insurance policy or policies or a certificate of such insurance coverage together with appropriate evidence that the premiums thereupon have been paid.

All such insurance of the Operator except Workmen's Compensation coverage shall name the State as an additional insured, contain a waiver of subrogation endorsement in favor of the State, and provide that the State shall be notified, in writing, at least thirty (30) days prior to any termination, cancellation, or material change in such insurance and Workmen's Compensation coverage.

E. Subrogation. State agrees to release Operator from State's claim for loss or damage caused by fire or other casualty covered by fire insurance policies, with extended coverage, to the extent of any payment received by the State. This release includes also a waiver of subrogation by the State's insurer of any right of action against the Operator in the event of such loss or damage and payment therefor to the State. Said waiver of subrogation is conditional upon acceptance of such waiver by State's insurer affected thereby. Evidence of such waiver shall be in writing.

F. Deductible Clause. Any of the insurance coverages provided for in this Article may include provision for a deductible amount of \$1,000.00 per loss or such higher deductible amount as may be mutually agreed upon, in writing, by the State and the Operator.

ARTICLE XVI. DAMAGE OR DESTRUCTION

A. State. If the Premises are structurally damaged in part by fire, explosion, Acts of God, the public enemy, or other casualty, but not rendered untenable, the same shall be repaired with due diligence by the State at its own cost and expense. If such structural damage shall be so extensive as to render the Premises untenable, but capable of being repaired in thirty (30) days, the same will be repaired with due diligence by the State at its own cost and expense, and the minimum annual guaranteed fee payable hereunder shall be proportionately paid up to the time of such damage and thereafter abate and cease until such time as the Premises are again tenantable. If the Premises are completely destroyed by fire, explosion, Acts of God, the public enemy or other casualty, or so damaged that they will remain untenable for more than thirty (30) days, the State shall be under no obligation to repair or reconstruct the building, or the Premises. The State shall notify the Operator of its intentions within sixty (60) days of the damage. The minimum annual guaranteed fee obligations of the Operator hereunder shall be paid up to the time of such damage or destruction and thereafter shall cease until such time as the Premises are fully restored. If the Premises will not be

repaired or restored within twelve (12) months after such damage or destruction, and the Operator is so notified, the Operator shall have the right to cancel this Contract upon seven (7) days written notice to the State of such election from the date of notification by the State that the buildings will not be repaired within the twelve (12)-month period, provided the damage is not caused by the Operator.

B. Operator. If any of the improvements and personal property constructed or installed by the Operator in or at the Premises, are damaged or destroyed, the Operator shall repair or replace the same with due diligence at its own cost and expense. Such replacement or repairs shall be equivalent to or better in quality than the improvements so destroyed or damaged, computed as of the date of the original installation or construction thereof. If such destruction or damage shall render the Premises untenable, the minimum annual guaranteed fee obligations of the Operator shall abate thirty (30) days from and after the date of such destruction or damage in such amount as is mutually agreed upon in writing by and between the State and the Operator, and this abatement shall be effective until the Premises are again tenantable, provided the damage is not caused by Operator.

C. Restrictions on Abatement. The foregoing provision for abatement of fee payment and for cancellation of this Contract shall not apply if the Operator shall cause the Premises to become untenable. Further, the abatement provisions shall not apply to any of the annual percentage fee payment obligations, which shall at all times remain in full force and effect.

ARTICLE XVII. TERMINATION BY STATE

A. Events of Breach or Violation. The Operator shall be in breach or violation under this Contract if any one or more of the following events shall occur, that is to say:

1. Any interest of the Operator under this Contract shall be transferred without the prior written approval of the State, by reason of stock transfer, assignment, sublease or otherwise, to any other person, firm or corporation; or

2. The Operator, if a partnership, and the said partnership shall be dissolved as the result of any act or omission of any of its partners or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

3. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee or liquidator shall take possession of all or substantially all of the property of the Operator, and such possession or control shall continue in effect for a period of fifteen (15) days, without being contested by the Operator in good faith by proper legal proceedings within said fifteen (15)-day period; or

4. The Operator shall voluntarily abandon, desert or vacate the Premises; or

5. Any lien shall be filed against the Operator's interest in the Premises because of any act or omission of the Operator and shall not be discharged, or contested by the Operator in good faith by proper legal proceedings, within thirty (30) days; or

6. The Operator shall fail duly and punctually to pay the fees or to make any other payment required hereunder, when due to the State; or

7. The Operator shall fail to make payment due to any agency of the State including, but not limited to, rental payments for any other permit, license or lease, general excise taxes, workers' compensation payments, unemployment taxes, etc., and such delinquent payments are not made within thirty (30) days of their due date; or

8. The Operator shall fail to provide and maintain the quality of services to the satisfaction of the State as required by Article VII hereof, within fifteen (15) days from and after receipt of written notice to correct the condition objected to; or

9. The Operator shall fail to keep, perform, and observe each and every other promise, covenant and agreement set forth in this Contract, on its part to be kept, performed or observed, and such failure shall continue for a period of more than thirty (30) days after delivery by the State of a written notice of such breach or violation by personal service or registered mail or certified mail to the Operator, except where fulfillment of its obligation requires activity over a period of time, to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance, showing improvement or correction, without interruption except for causes beyond its control.

B. Default and Termination.

1. Default. If the Operator refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Director may notify the Operator in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Director, the Director may terminate the Operator's right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Director may procure similar services in a manner and upon terms deemed appropriate by the Director. The Operator shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar services.

2. Operator's Duties. Notwithstanding termination of the Contract and subject to any directions from the Director, the Operator shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Operator in which the State or county has an interest.

3. Compensation. Payment for the protection and preservation of property shall be in an amount agreed upon by the Operator and Director; if the parties fail to agree, the Director shall set an amount subject to the Operator's rights under Chapter 3-126 of the Hawaii Administrative Rules. The State may withhold from amounts due the Operator such sums as the Director deems to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders and to reimburse the State for the excess costs incurred in procuring similar services.

4. Excuse for Nonperformance or Delayed Performance. Except with respect to defaults of subcontractors, the Operator shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the Operator to make progress in the prosecution of the work hereunder which endangers such performance, if the Operator has notified the Director within fifteen days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics;

quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the Operator shall not be deemed to be in default, unless the goods or services to be furnished by the subcontractor were unreasonably obtainable from other sources in sufficient time to permit the Operator to meet the Contract requirements. Upon request of the Operator, the Director shall ascertain the facts and extent of such failure, and, if the Director determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Operator's progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the State under the clause entitled in fixed-price contracts, "Termination for Convenience" and in cost-reimbursement contract, "Termination." As used in this paragraph of this clause, the term "subcontractor" means subcontractor at any tier.

5. Erroneous Termination for Default. If, after notice of termination of the Operator's right to proceed under the provisions of this clause, it is determined for any reason that the Operator was not in default under the provisions of the clause, or that the delay was excusable under the provisions of Paragraph (d), Excuse for nonperformance or delayed performance of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the notice of termination had been issued pursuant to such clause. If, in the foregoing circumstances, this Contract does not contain a clause providing for termination for convenience of the State, the Contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the Operator's rights under Chapter 3-126 of the Hawaii Administrative Rules.

6. Additional Rights and Remedies. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this Contract.

In addition to the above, in the event of any breach or violation due to the occurrence of any of the events enumerated in Paragraph A of this Article, the State may, after giving notice of default, pursue any available remedy, legal or equitable, it may have against the Operator, including sanctions pursuant to Section 103D-702, HRS.

If the Operator fails to correct the violations contained in the notice of default to the satisfaction of the State, the State may without prejudice to any other remedy elect to:

1. Assess a penalty of Two Hundred Fifty and No/100 Dollars (\$250.00) per day as described in Article V.L. hereof; and

2. Concurrent with or subsequent to the assessment of such penalty, proceed to terminate this Contract by providing a written Letter of Termination and Notice to Vacate to the Operator.

C. Right of Re-entry. The State shall, as an additional remedy upon the giving of notice of termination as provided in Paragraph B of this Article have the right to re-enter the Premises under this Contract and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Operator under this Contract, and shall in no event constitute an acceptance of surrender.

Upon such termination by the State, all rights, powers and privileges of the Operator hereunder shall cease, unless otherwise stated herein, and the Operator shall immediately vacate any space occupied by it under this Contract, and the Operator shall have no claim of any kind whatsoever against the State, by reason of such termination, or by reason of any act by the State incidental or related thereto. In the event of the exercise by the State of such option to terminate, the Operator shall have no right to or claim upon any improvements or the value thereof, which may have been previously installed by the Operator in or on the demised premises. The State may also remove or store any personal property located therein, at the sole cost and expense of the Operator without the State being liable to the Operator for damage or loss thereby sustained by the Operator.

D. Termination before Commencement. If any of the events enumerated in Paragraph A of this Article shall occur prior to the commencement of this contract term, the Operator shall not be entitled to enter into possession of the Premises, and the State, upon the occurrence of any such event, or at any time thereafter, during the continuance thereof, by twenty-four (24) hours' notice, may cancel the interest of the Operator under this Contract, such cancellation to be effective upon the date specified in such notice.

E. Termination Resulting from Governmental Action. The State may terminate the Contract in accordance with Paragraphs B, C and D of this Article, where the Operator, after exhausting or abandoning any right of further appeal, shall be prevented for a period of ninety (90) days by action of any governmental agency from using the Premises, regardless of the fault of the Operator.

F. Termination for Convenience. The Director may, when the interests of the State so require and no other provision of these General Terms and Conditions apply, terminate this Contract in whole or in part, for the convenience of the State. The Director shall give written notice of the termination to the Operator specifying the part of the Contract terminated and when termination becomes effective.

ARTICLE XVIII. WAIVER

No acceptance by the State of fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants, and conditions hereof to be performed, kept or observed by the Operator shall be deemed a waiver of any right on the part of the State to terminate the Contract for any like or other succeeding breach or default.

A waiver or assent by the State, express or implied, of any default of the Operator, in the performance of any of the covenants, terms and conditions of this Contract shall not be deemed or considered to be a waiver of any other or succeeding default, and it is mutually covenanted and agreed that the various rights, powers, privileges, options and remedies of the State and the Operator herein respectively contained shall be construed to be cumulative, and no one of them shall be deemed to be exclusive of the other, or exclusive of any rights, powers, privileges, options or remedies provided by law.

ARTICLE XIX. RECAPTURE

The State reserves and shall have the right, at any time during the term of this Contract, in its sole discretion, to terminate and cancel the said Contract and to reoccupy the Premises thereunder in the public interest or to recapture any portion of the assigned premises not utilized by the Operator for the purposes identified or prescribed by this Contract; provided,

that the State shall give the Operator written notice of any cancellation or termination no less than sixty (60) days prior to the effective date of such cancellation or termination, and; provided, further, that the State shall pay to the Operator the then unamortized value of the improvements constructed or installed by the Operator at its own cost in, at, or upon the Premises; and provided, further, that the Operator shall not be entitled to any payment for the cancellation or recapture of its interest. However, if the Operator has breached the Contract or has been or then is in default, the State need not compensate the Operator for the value of its improvements. In such an event, the Operator shall be deemed to have waived its rights to the improvements or compensation therefor.

ARTICLE XX. TERMINATION BY OPERATOR

If any one of the following events occur, the operator may terminate this Contract in its entirety either prior to or subsequent to the commencement of the contract term, to wit:

1. The permanent abandonment of the Airport as a terminal for the carriage by air of persons, property, cargo and mail.

2. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict the Operator from operating the Parking Facilities thereat for a period of at least sixty (60) consecutive days.

3. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and such injunction continuing for a period of at least sixty (60) consecutive days.

4. The breach by the State of, or its failure to perform, any of the covenants or agreements herein contained, and either the failure of the State to remedy such breach for a period of sixty (60) days after receipt of a written notice of the existence of such breach, or, if fulfillment of the State's obligation requires activity over a period of time, the failure of the State within said sixty (60)-day period in good faith to commence that activity required and to continue the same thereafter except for causes beyond its control.

5. The damage or destruction of the Premises of the nature described in Article XVI hereof pursuant to the provisions of which the Operator thereupon may terminate this Contract.

ARTICLE XXI. SUSPENSION OR ABATEMENT

Upon the occurrence of any of the events contained in Article XX hereof, the Operator shall have the right in lieu of termination and upon prompt written notice to the State, to either a suspension of this Contract, or in the alternative, to a just abatement of such portion of the fee payment obligations of the Operator hereunder as may be mutually agreed upon in writing by and between the State and the Operator, such suspension or abatement to be effective from the time of the receipt of such notice until there is a cessation of the occurrence or activity giving rise to the initial right to terminate this Contract.

ARTICLE XXII. SUBORDINATION

A. Joint-Use. This Contract shall be subordinate in all respects to the provisions of any existing or future agreements between the State and the United States Government or any agency thereof relative to the aircraft operating areas of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. In the event of any such inconsistency between such agreement and the occupancy by the Operator of the Premises and the Operator's use thereof pursuant to Article III hereof, this Contract or the particular terms and conditions affected thereby shall be suspended or terminated without the State being liable for damages.

This Contract shall be subordinate in all respects to the provisions of any existing or future Joint-Use Agreement between the State and the United States Navy, the United States Army and the United States Air Force. In the event of any such inconsistency described in the preceding paragraph between this Contract and any existing or future Joint-Use Agreement, this Contract or the particular terms and conditions affected thereby shall be suspended or terminated without the State being liable for damages.

B. National Emergency. During times of war whether declared by Congress or not, or national emergency, the State shall have the right to enter into any agreement with the United States Government for any military use of part or all of the

landing area, the publicly owned air navigation facilities, and all other areas and facilities of the Airport. If any such agreement is executed, the provisions of this Contract, insofar as they are inconsistent with the provisions of the agreement with the said Government, shall be suspended without the State being liable for damages.

C. Rights of Operator. Nothing in this Article contained shall detract from or limit, nor be construed to detract from or limit, the rights of the Operator set forth in Articles XX and XXI hereof, nor to seek damages or compensation from other than the State in the event of the execution of any such agreement described above the terms of which are or may be inconsistent with the rights of the Operator under this Contract.

ARTICLE XXIII. CONDEMNATION

If the Premises or any part thereof shall be required, taken or condemned by any authority having the power of eminent domain, then and in every such case the interest of the Operator in the Premises so required, taken or condemned, shall at once terminate, and the Operator shall not by reason thereof be entitled to any claim against the State or others for compensation or indemnity for any leasehold interest, and all compensation and damages payable for or on account of any land (including access rights) or improvements thereon, except improvements erected on the Premises by the Operator during the term of the Contract, shall be payable to and be the sole property of the State. Compensation and damages payable for or on account of any improvements erected on the Premises by the Operator during said term shall be payable to the Operator in the ratio that the unexpired term of the Contract on the date of the taking or condemnation bears to the unexpired term of the Contract on the date said improvements were completed by the Operator; the balance of the compensation and damages payable for said improvements shall be payable to the State; provided, that in case only part of said Premises shall be so required, taken or condemned, the Minimum Annual Guarantee payable for the remainder of said term shall be reduced in the ratio that the area or portion of the premises required, taken or condemned bears to the total area of the Premises immediately prior to such event, and all compensation and damages payable for or on account of any improvements erected on the Premises during said term shall be used promptly by the Operator to the extent necessary for restoring or replacing such improvements on the Premises remaining, according to plans and specifications therefor first approved in writing by the State; provided, further, that if the loss of the portion of the Premises required, taken or condemned

renders the remaining Premises unsuitable for the Operator's purposes, the Operator in any such case may at its option surrender to the State this Contract and all interest of the Operator and any mortgagee in and to the compensation and damages payable on account of any improvements on the remaining Premises so surrendered and thereby be relieved of any further obligations hereunder, such surrender in any case to be made not later than thirty (30) days after the Operator loses the right to possession of the Premises so required, taken or condemned and in sufficient time for the State to claim from the condemning authority its damages therefor. Condemnation of any interest only in said Premises or any part thereof shall not terminate this Contract nor excuse the Operator from full performance of its covenants for the payment of money or any other obligations hereunder capable of performance by the Operator, but in such case the Operator may claim and recover from the condemning authority all compensation and damages payable on account of its interest.

ARTICLE XXIV. LITIGATION

If the State shall, without any fault, be made a party to any litigation commenced by or against the Operator arising out of the Operator's use or occupancy of the Premises or attributable to any structure placed thereupon or therein by the Operator (other than condemnation or like proceedings), then the Operator shall hold harmless, indemnify and defend all litigations, charges and encumbrances and all expenses resulting therefrom, including attorneys' fees incurred by or imposed upon the State in connection with such litigation, and the Operator shall also pay all costs and attorneys' fees which may be incurred or paid by the State in enforcing the covenants and agreements of this Contract, including the costs of collection of delinquent taxes and other charges.

Each party shall give prompt written notice to the other of any claim or suit instituted against it that may affect the other party.

ARTICLE XXV. LIENS

A. State's Lien. The State shall have a lien upon all furniture, fixtures, furnishings, equipment, and other personal property of the Operator upon the Premises to the extent permitted by law, for the purpose of securing to the State the payment of all sums which may be due from the Operator under this Contract. In the event that past-due fees, or charges are not paid by the Operator within sixty (60) days after notice of

default given by the State, the State may take possession of and sell such of the said fixtures of the Operator as may be sufficient to pay the fees and charges. A sale under this lien may be made either publicly or privately, upon the notice given to the Operator as herein provided.

B. Other Liens Prohibited. The Operator shall not commit or suffer any act or neglect whereby the premises, including improvements of the Operator thereupon or therein, or the estate of the Operator in the same, at any time during the term of this Contract shall become subject to any attachments, lien, charge or encumbrance whatsoever, and shall hold harmless, indemnify, defend and, if necessary, insure the State against all liens, charges and encumbrances and all expenses resulting therefrom, including reasonable attorneys' fees, it being expressly understood that the Operator shall have no authority, express or implied, to create any lien, charge or encumbrance upon the said Premises or any portion thereof, except pursuant to Article XXVII hereof.

ARTICLE XXVI. ASSIGNMENT AND SUBLETTING

Assignment or Subletting of Principal Contract. The Operator shall not transfer, assign, or permit any other person to occupy or use the Premises or any portion or transfer or assign this Contract or any interest, either voluntarily or by operation of law, except by way of devise, bequest, or intestate succession, and any transfer or assignment made shall be null and void; provided that with the prior written approval of the State the assignment and transfer of this Contract or any portion may be made pursuant to Section 171-36, Hawaii Revised Statutes, and more particularly if (1) it contains the personal residence of the Operator; (2) in the case of commercial, industrial, and other business uses, the Operator was required to put in substantial building improvements; (3) the Operator becomes mentally or physically disabled; (4) extreme economic hardship is demonstrated to the satisfaction of the State; or (5) it is to the corporate successor of the Operator; provided, further, that prior to the written approval of any assignment of Contract, the State shall have the right to review and approve in writing the consideration paid by the Assignee and may condition its consent to the assignment of the Contract on payment by the Operator of a premium of fifty percent (50%) of the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the straight-line depreciated cost of improvements and trade fixtures being transferred to the Assignee, as further explained in Annex 1, attached hereto as Appendix C, Attachment 2. The premium on any subsequent

If the Operator is a partnership, joint venture or corporation, the sale or transfer of twenty percent (20%) or more of ownership interest or stocks by dissolution, merger or any other means must be reported to the State and shall be deemed an assignment for purposes of this paragraph and subject to the right of the State to impose the foregoing premium on the difference between the selling price and the cost of the investment appreciated at eight percent (8%) per year, it being the intent that any substantial profit resulting from the sale or transfer of ownership interest shall be subject to the payment of a premium to the State.

ARTICLE XXVII. SUCCESSORS AND ASSIGNS

Each and all of the expressions, phrases, terms, conditions, provisions, stipulations, promises, covenants, agreements, requirements and obligations of this Contract shall, extend to and bind and inure to the benefit of the State and the Operator, and the legal representatives, successors, and permitted assigns of either or both of them.

ARTICLE XXVIII. NOTICES

Notices to the State provided for herein shall be sufficient if sent by certified mail, postpaid, addressed to the State, and directed to the attention of the State's Administrator, Airports Division, or such officer as may succeed to the duties thereof, at Honolulu International Airport; and notices to the Operator shall be sufficient if sent by certified mail, postpaid, to Operator at the address stated in this Contract or to such other address as the Operator may designate in writing from time to time.

ARTICLE XXIX. INTERPRETATION

A. In General. The language hereof and in all parts of this Contract shall be in all cases construed simply according to its fair meaning and not strictly for or against either the State or the Operator. This Contract shall be construed and performance thereof shall be determined according to the laws of the State.

B. Section Headings. The sectional headings herein and throughout the documents which are a part of this Contract are for the convenience of the State and the Operator and are not intended nor shall be used to construe the intent of this Contract or any part thereof, nor to modify, amplify, or aid in the interpretation or construction of any of the provisions thereof.

C. Gender and Number. The use of any gender herein and in any of the documents which are a part of this Contract shall include any or all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

ARTICLE XXX. NO PARTNERSHIP

It is expressly understood and agreed by and between the State and the Operator, that the State shall in no way be nor for any purpose become or be construed to become a partner of the Operator in the conduct of its business, or otherwise, or a joint adventurer or a member of a joint enterprise with the Operator; and that the provisions of Article V hereof relating to a percentage fee payable hereunder are included therein solely for the purpose of providing a method whereby the fee is to be measured and ascertained.

ARTICLE XXXI. FORCE MAJEURE

The State shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, but without limitation thereto, strikes, boycotts, picketing, slow-downs, work stoppages, or labor troubles of any other type (whether affecting the State, its contractors or subcontractors).

The State shall be under no obligation to supply any service or services if and to the extent and during any period that the supplying of any such service or services or the use of any component necessary therefor shall be prohibited by any federal, state, or municipal law, rule, regulation, requirement, order or direction and if the State deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the State as a public agency.

No abatement, diminution or reduction of the fee or other charges payable by the Operator, shall be claimed by or allowed to the Operator for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county, or municipal governments, or of any other municipal, governmental or lawful authority whatsoever; or by priorities, rationing, or curtailment of labor or materials or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the State, nor shall this Contract be affected by any such causes.

Nothing in this Article contained shall preclude nor be construed to preclude the enforcement by the Operator of any of its rights contained in Articles XX and XXI hereof.

ARTICLE XXXII. PARAMOUNT AGREEMENT

This Contract supersedes any and all other agreements entered into by the parties hereto prior to the execution of this Contract covering the subject matter hereof.

ARTICLE XXXIII. AMENDMENTS

This Contract shall not be varied in its terms, covenants or conditions by any oral agreement or representation, or otherwise than by an instrument in writing of subsequent date hereto executed by both parties by their respective officers or other duly authorized person.

ARTICLE XXXIV. INVALID PROVISION-SEVERABILITY

In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either the State or the Operator in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.

ARTICLE XXXV. NON-LIABILITY OF INDIVIDUALS

Neither the Director nor any governmental agency of the State as may succeed to the duties, powers, or functions of the Department of Transportation, nor any of them, nor any agency, officer, or employee thereof, shall be charged personally by the Operator with any liability, or be held liable to the Operator under any term or provision of this Contract, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof.

ARTICLE XXXVI. NONDISCRIMINATION

The Operator, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Contract for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Operator shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

The Operator, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby further covenant and agree that: (1) no person on the grounds of race, creed, color, sex or national origin shall be 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, creed, color, sex or national origin shall be denied the benefits of, or otherwise be subjected to discrimination; and (3) that the Operator shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, the State may terminate this Contract and re-enter and repossess said Premises and the facilities thereon, and hold the same as if said Contract had never been made or issued.

No person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with the award and performance of the Contract covered by 49 CFR Part 23, on the grounds of race, color, national origin, or sex.

ARTICLE XXXVII. CIVIL RIGHTS PROVISION

The Operator 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. The Operator 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. The Operator assures that it will require that its covered suborganizations provide assurances to the State that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE XXXVIII. REMEDIES

Any dispute arising under or out of this Contract is subject to Chapter 3-126 of the Hawaii Administrative Rules.

ARTICLE XXXIX. DISPUTES

A. All controversies between the State and the Operator which arise under, or are by virtue of, this Contract and which are not resolved by mutual agreement, shall be decided by the Director in writing, within one hundred twenty (120) calendar days after a written request by the Contractor for a final decision concerning the controversy; provided that if the Director does not issue a written decision within one hundred twenty (120) calendar days after written request for a final decision, or within such longer period as may be agreed upon by the parties, then the Operator may proceed as if an adverse decision had been received.

B. The Director shall immediately furnish a copy of the decision to the Operator, by certified mail, return receipt requested, or by any other method that provides evidence of receipt.

C. Any such decision shall be final and conclusive, unless fraudulent, or the Operator brings an action seeking judicial review of the decision in the circuit court of this State within the six (6) months from the date of receipt of the decision.

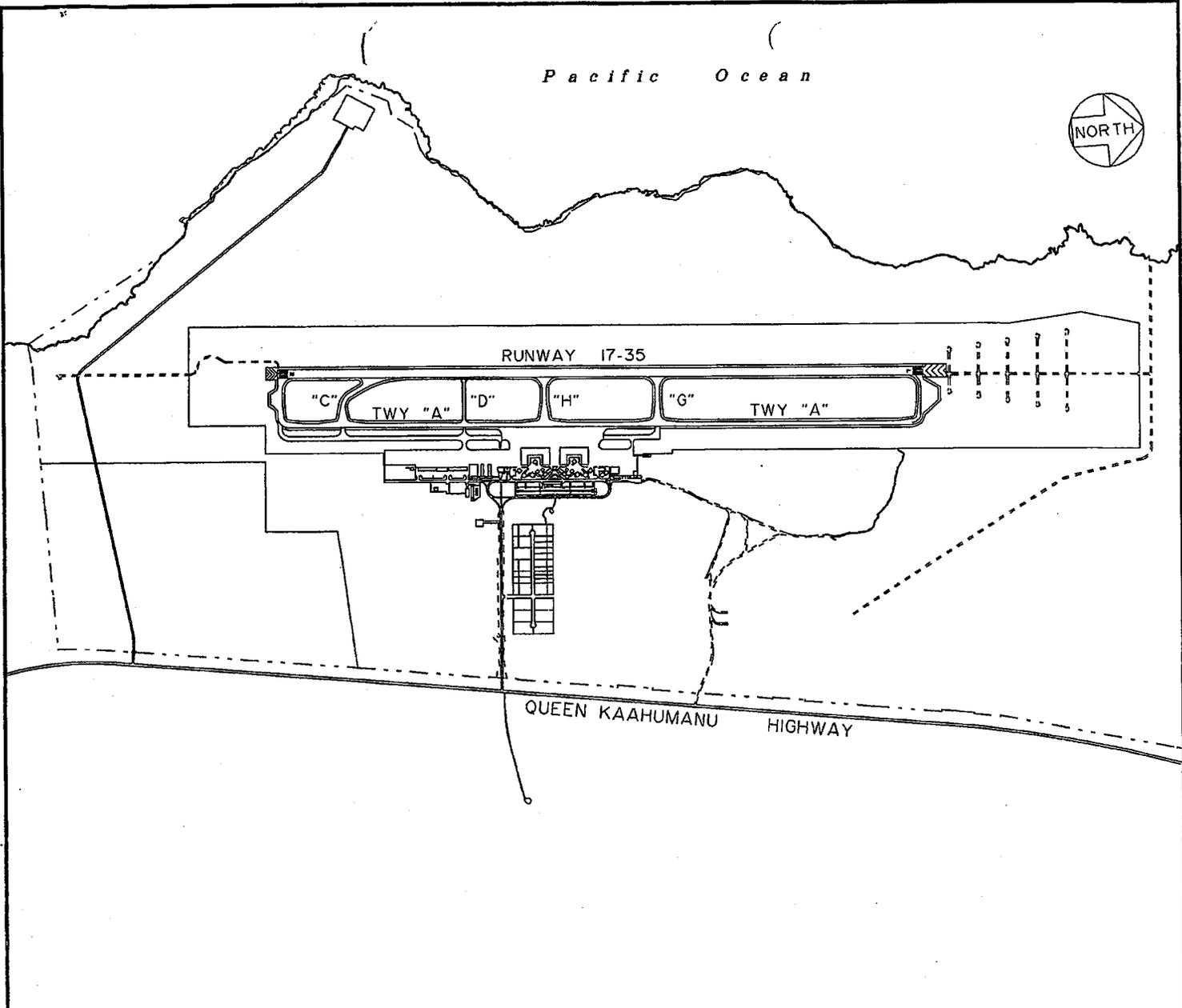
D. The Operator shall comply with any decision of the Director and proceed diligently with performance of this Contract pending final resolution by the circuit court of this State of any controversy arising under, or by virtue of, this Contract, except where there has been a material breach of Contract by the State; provided that in any event the Operator shall proceed diligently with the performance of the Contract where the Director has made a written determination that continuation of work under the Contract is essential to the public health and safety.

ARTICLE XXXX. APPROVALS AND NOTICES

All approvals and notices mentioned in contract documents shall be in writing. Approvals and notices not in writing shall be void.

Attachments:

- 1 - Exhibits A, B, C-1, C-2, D, and E
- 2 - Annex 1 - Assignment



<u>LOT</u>	<u>DESCRIPTION</u>	<u>EXHIBIT NO.</u>	<u>STALLS</u>
	AIRPORT	A	
	(EXIT GATE PLAZA/OFFICE)	B	
A	PUBLIC PARKING	C-1 & C-2	373*
B	EMPLOYEE PARKING	D	269
C	PUBLIC (METERED) PARKING	E	30

* INCLUDES 8 HANDICAP STALLS



DATE: MAY, 1994

EXHIBIT: **A**



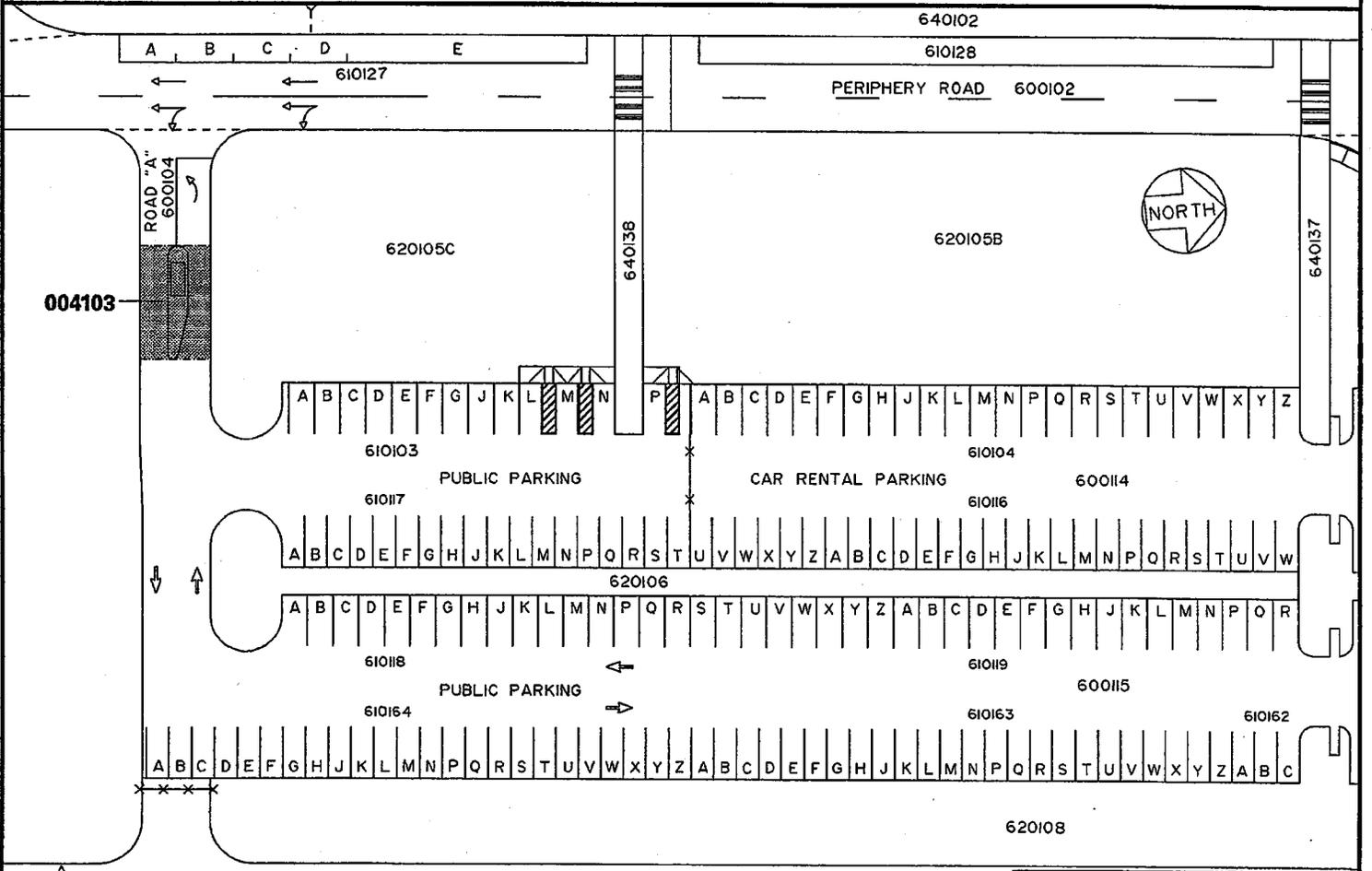
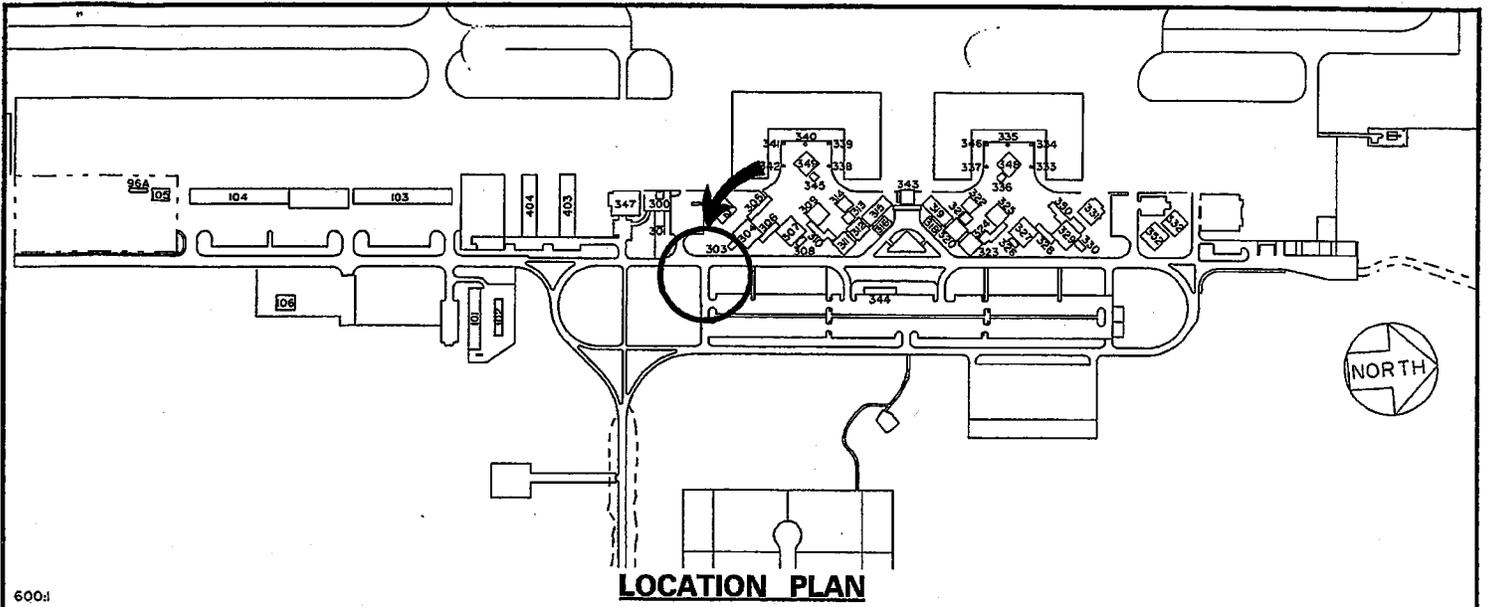
Airports Division

AUTOMOBILE PARKING FACILITIES

"AIRPORT"

PLAT 01

KEAHOLE-KONA INTERNATIONAL AIRPORT



AREA/SPACE	SQ. FT.
004 103	1,012

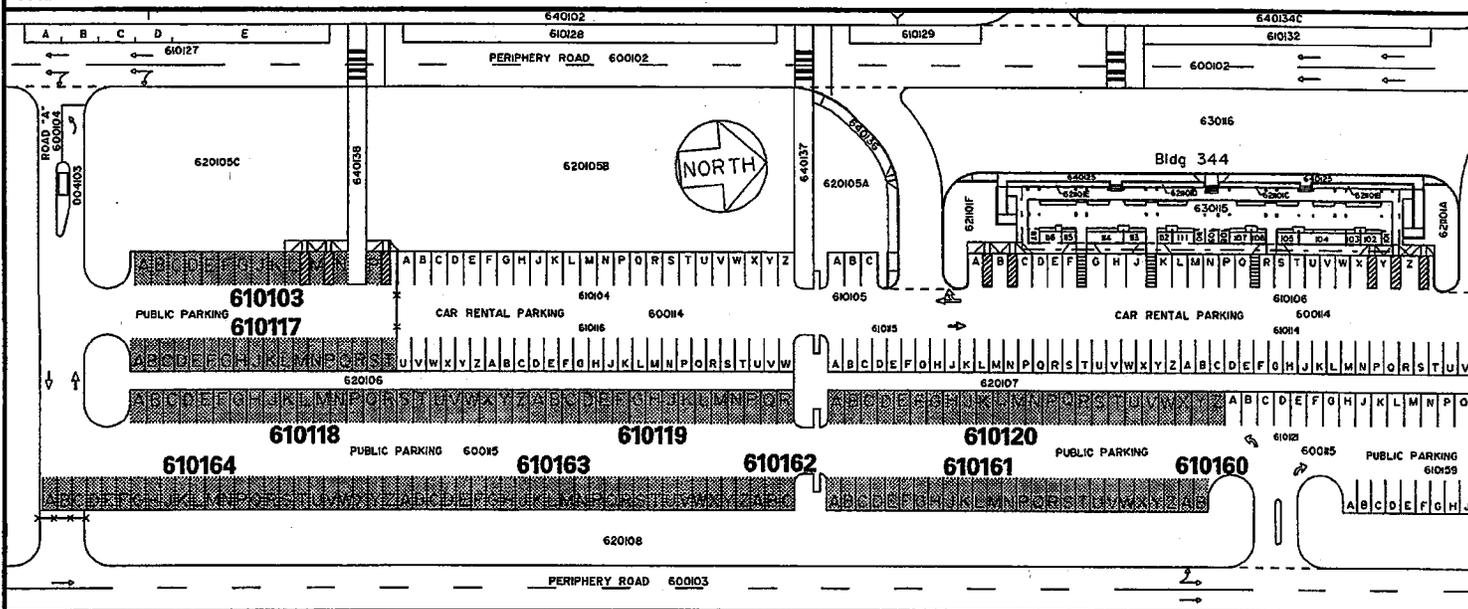
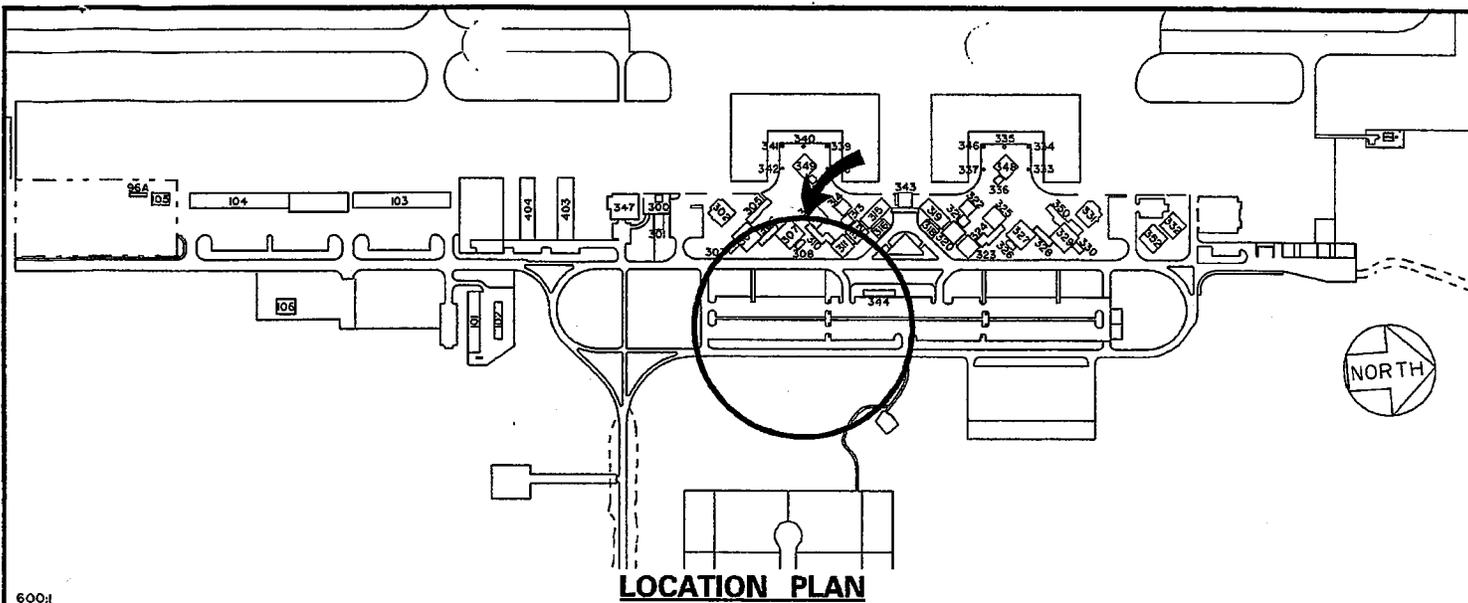
SCALE: 1"=60'

DATE: MAY, 1994

EXHIBIT: **B**

<p>Department of Transportation STATE OF HAWAII</p>	Airports Division	AUTOMOBILE PARKING FACILITIES	EXIT GATE PLAZA/OFFICE	004103
				PLAT D1

KEAHOLE-KONA INTERNATIONAL AIRPORT



AREA/SPACE	STALLS
610 103A-G,J-P	13
610 117A-T	18
610 118A-Z	24
610 119A-R	16
610 120A-Z	24
610 160A-B	2
610 161A-Z	24
610 162A-C	3
610 163A-Z	24
610 164A-Z	24
209 TOTAL	172

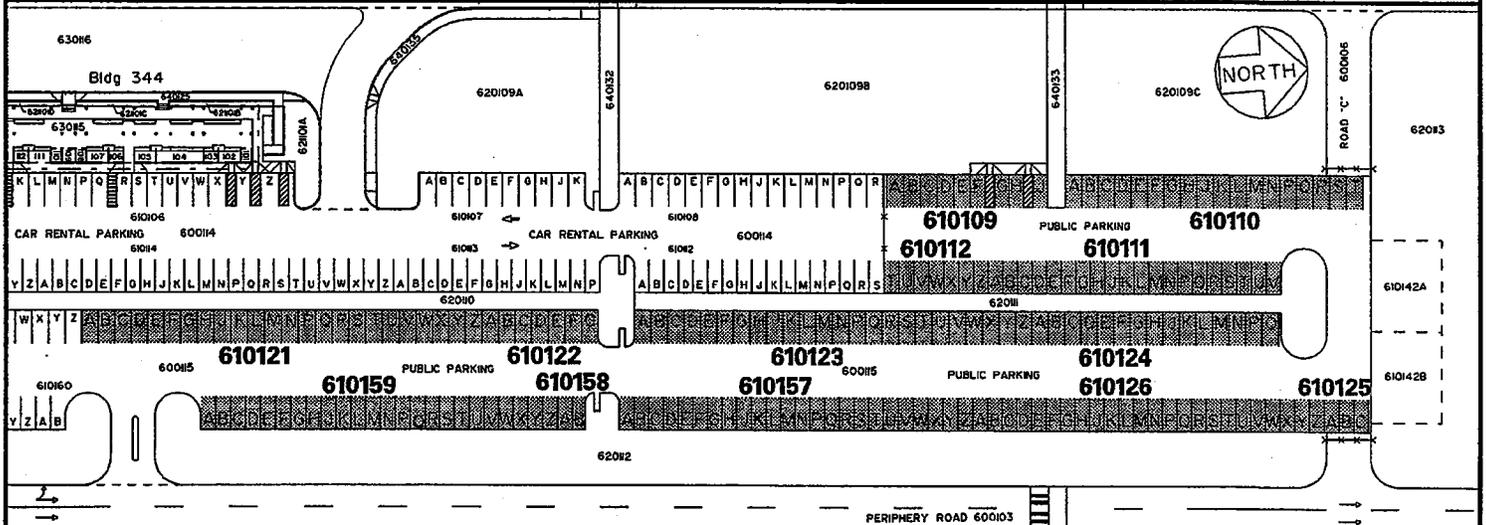
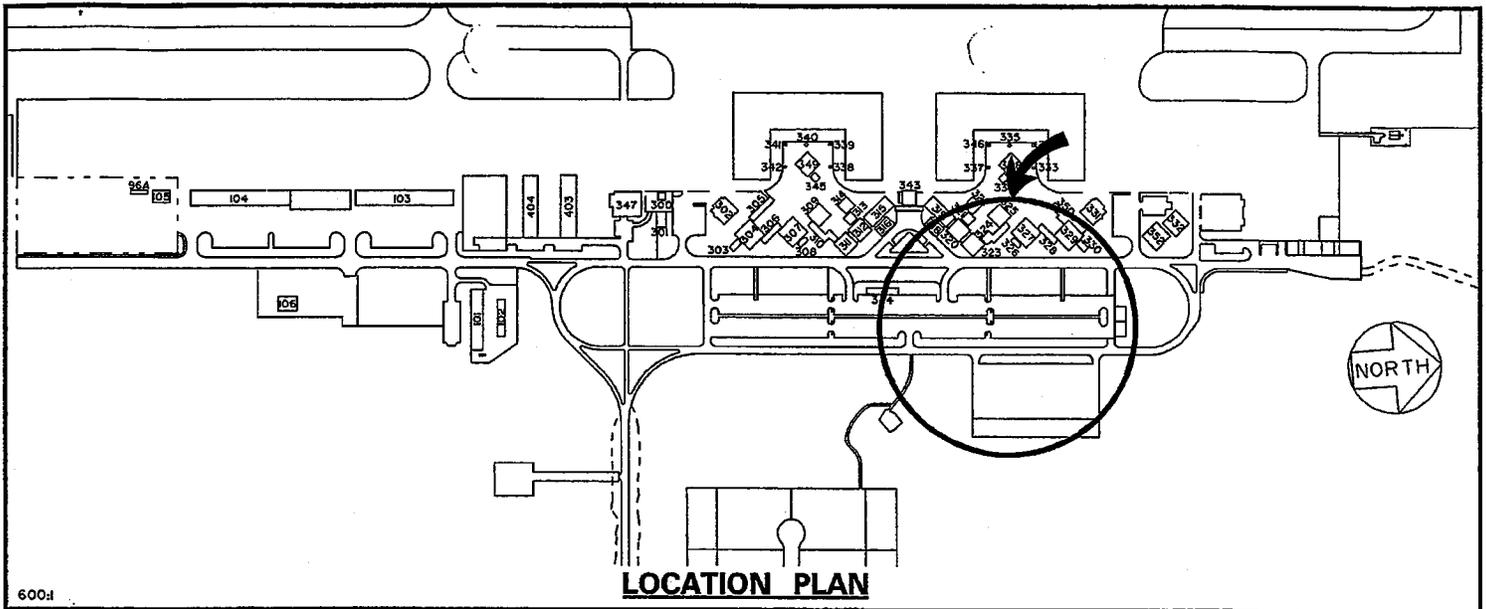
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DATE: MAY, 1994

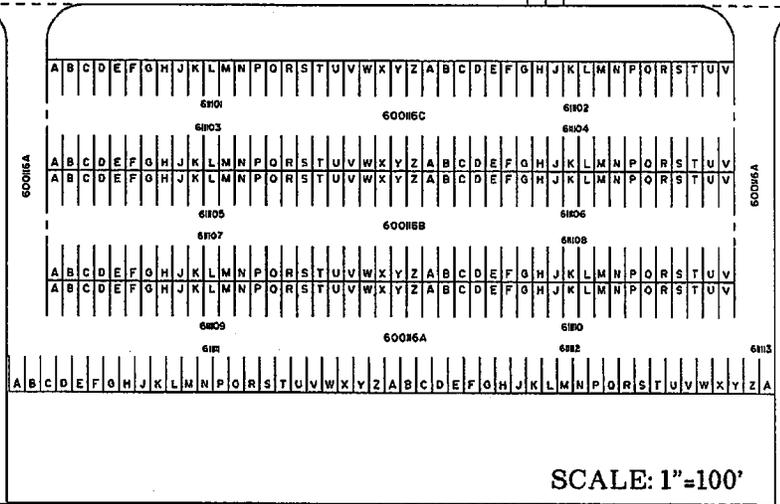
EXHIBIT: **C-1**

	Airports Division	AUTOMOBILE PARKING FACILITIES	LOT A	PLAT D1,E1
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KEAHOLE-KONA INTERNATIONAL AIRPORT



<u>AREAS/SPACE</u>	<u>STALLS</u>
610 109A-J	9
610 110A-T	18
610 111A-V	20
610 112T-Z	7
610 121A-Z	24
610 122A-G	7
610 123A-Z	24
610 124A-Q	15
610 125A-C	3
610 126A-Z	24
610 157A-Z	24
610 158A-B	2
610 159A-Z	24
TOTAL	201



DATE : MAY, 1994 EXHIBIT: **C-2**

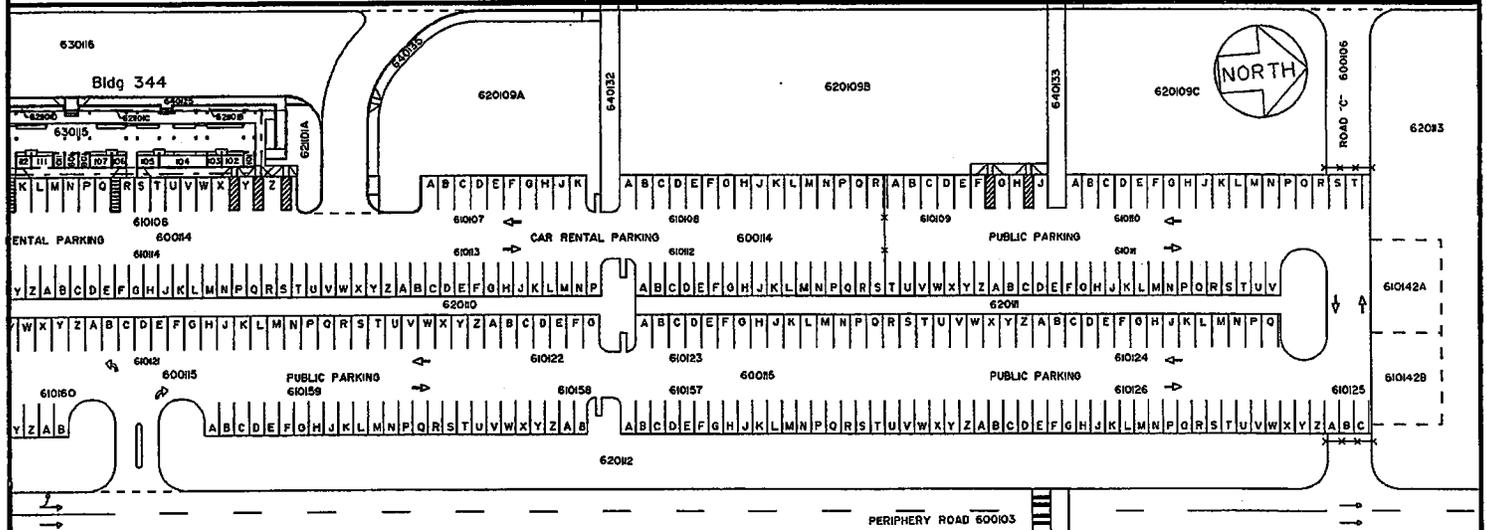
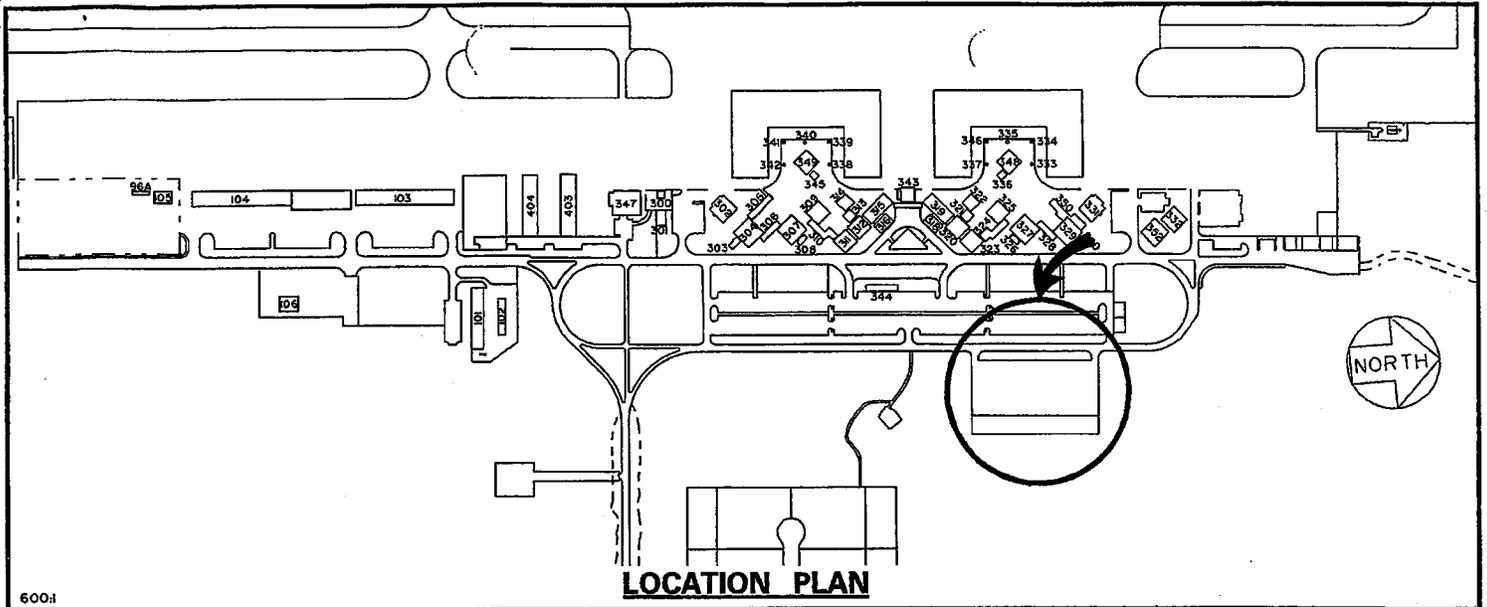


AUTOMOBILE PARKING FACILITIES

LOT A

PLAT E1

KEAHOLE-KONA INTERNATIONAL AIRPORT



AREASPACE	STALLS
611 101A-Z	24
611 102A-V	20
611 103A-Z	24
611 104A-V	20
611 105A-Z	24
611 106A-V	20
611 107A-Z	24
611 108A-V	20
611 109A-Z	24
611 110A-V	20
611 111A-Z	24
611 112A-Z	24
611 113A	1
TOTAL	269

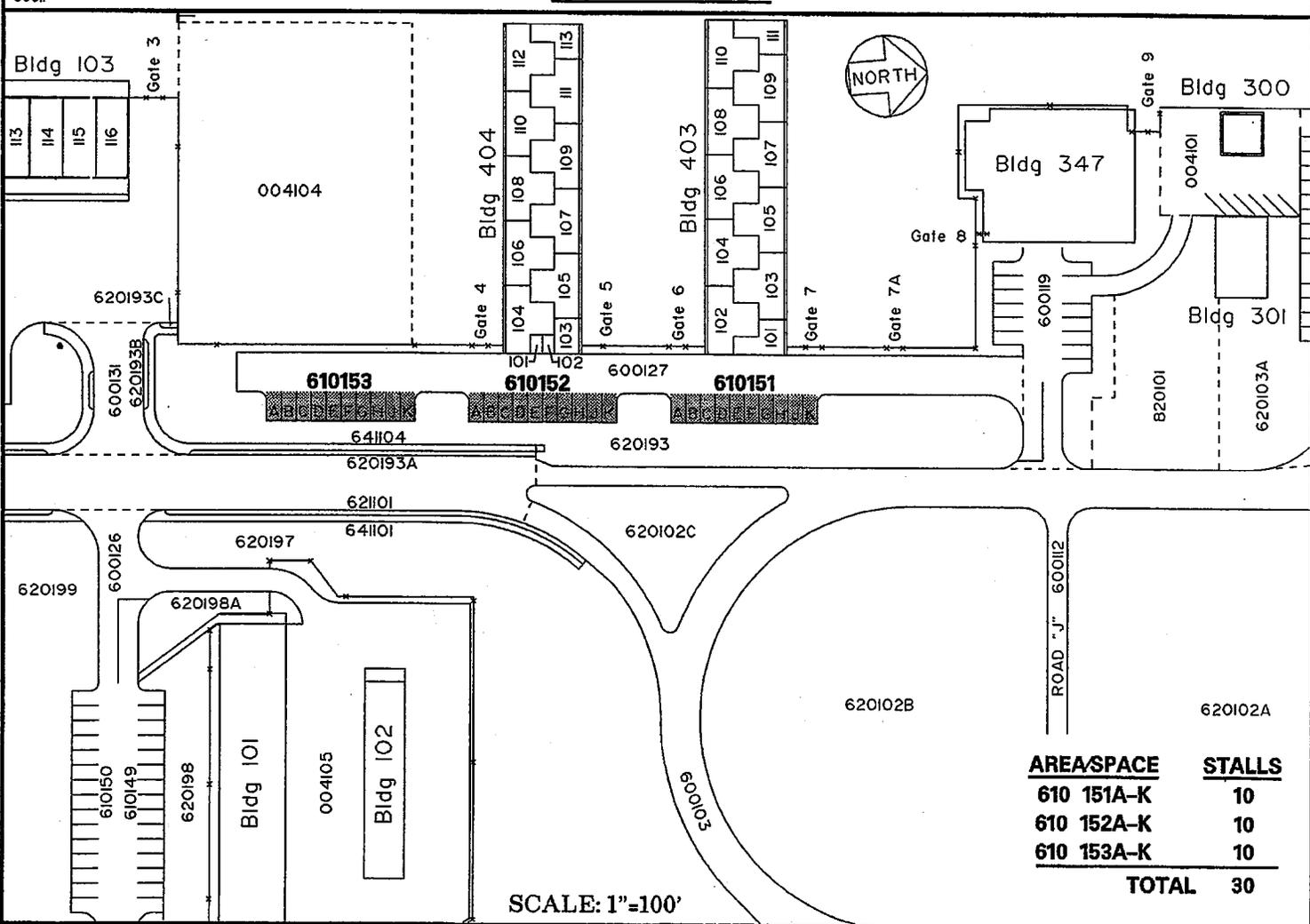
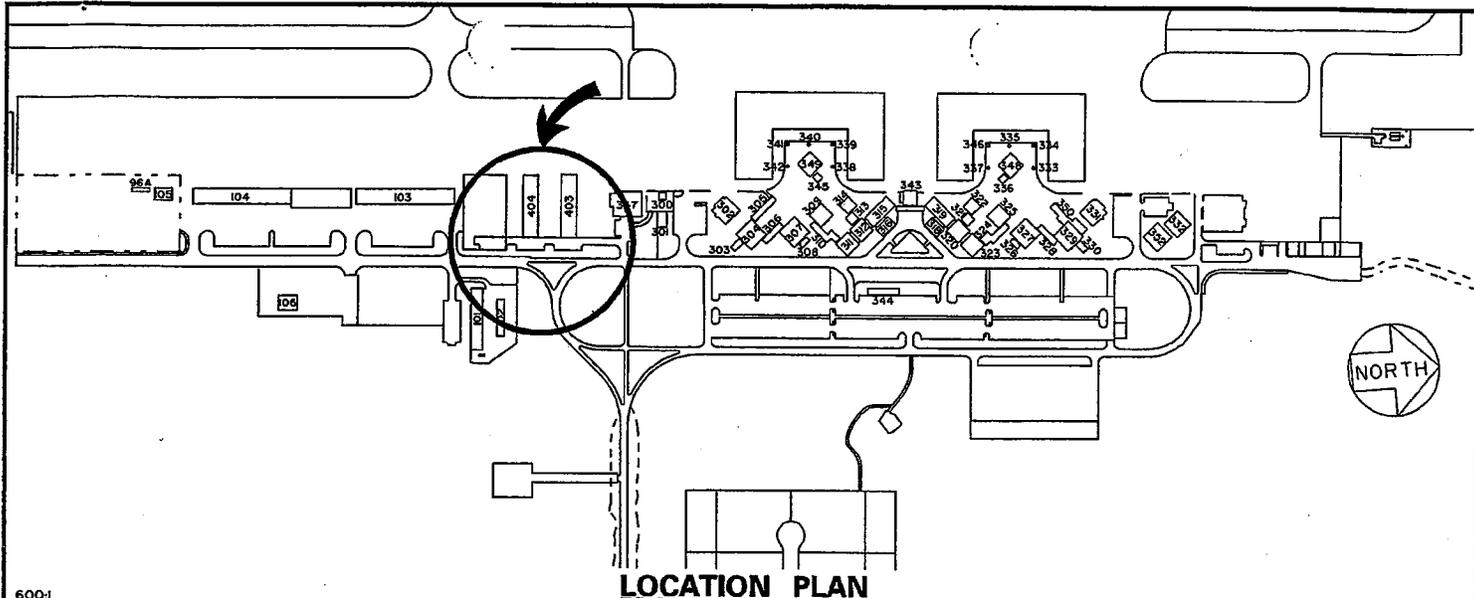
SCALE: 1"=100'

DATE: MAY, 1994

EXHIBIT: **D**

<p>Department of Transportation Airports Division</p>	<p>AUTOMOBILE PARKING FACILITIES</p>	<p>LOT B</p>	<p>PLAT E1,58</p>
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KEAHOLE-KONA INTERNATIONAL AIRPORT



DATE: MAY, 1994

EXHIBIT: **E**



Airports Division

AUTOMOBILE PARKING FACILITIES

LOT C SOUTH RAMP

PLAT C1

KEAHOLE-KONA INTERNATIONAL AIRPORT

ANNEX 1 - ASSIGNMENT

The Department of Transportation (DOT) has the right to receive from the operator (assignor) a premium based on the amount by which the consideration paid for the assignment, whether by cash, credit or otherwise exceeds the adjusted depreciated cost of improvements, trade fixtures and personal property being transferred to the assignee. The appropriate cost index will be applied to determine the adjusted depreciated cost. The value of the inventory of merchandise shall also be deducted from the consideration paid. Intangibles such as goodwill, business name recognition, etc., are not deductible.

To encourage long-term occupancy and discourage speculation, the premium for an assignment of a contract issued or awarded under Chapter 102, 103D or 171, HRS, shall be fifty percent (50%).

DOT may impose a surcharge equal to ten percent (10%) of the annual rental if the assignor has not performed lease covenants to improve or use the property for its specific uses.

Depreciation of improvements and trade fixtures will be determined on a straight-line basis. Depreciation of improvements or renovations will be determined in the same proportion that the expired term of the improvements or renovations bear to the whole term. The whole term will be from the date the construction of the improvements or renovations are completed until the termination date of the contract. Depreciation of trade fixtures will be determined in the same manner, except that the whole term will be the anticipated life of the trade fixture. (See Schedules A, B, and C for examples.)

All operators shall be required to furnish the division with the actual costs of construction of all improvements and renovations within thirty (30) days after its completion as well as the purchase costs of all trade fixtures acquired for the lessee's operation on the premises within thirty (30) days after their purchase. Operators shall be required to furnish evidence of the actual costs by copy of the construction contract, receipts or otherwise. Operators shall also be required to furnish the division with an inventory of all personal property placed on the premises. Divisions shall maintain records of all costs incurred by the operator for construction of improvements and renovations as well as trade fixtures submitted by the operator and shall include the Construction Cost Index (CCI) and Consumer Price Index (CPI) as published by the U. S. Department of Commerce, Bureau of Census, and U. S. Department of Labor, Bureau of Labor Statistics, respectively, for the year construction is completed.

Only in cases where the operator has essentially constructed or directed the construction of its own improvements, may the operator be given the option of paying for an appraiser, but to be selected by DOT, to determine the valuation of the improvements.

The evaluation for premium determination will only be applicable to leases from which DOT can receive a premium as determined by the Attorney General.

SCHEDULE A. Adjusted Depreciated Cost of Improvements or Renovations

1. Adjusted Cost of Improvements or Renovations

Multiply the actual cost of the improvements or renovations by the most recent U. S. Construction Cost Index for Apartments, Hotels, Office Buildings (CCI)* and divide the result by the CCI of the year construction was completed (base year) to get the adjusted cost of improvements or renovations.

2. Depreciation

Determine the depreciation percentage on a straight-line basis by dividing the expired term of the improvements or renovations by the whole term of the improvements or renovations, the whole term beginning on the date the improvements or renovations are completed to the expiration date of the lease. Multiply the adjusted cost of the improvements or renovations by the depreciation percentage to determine the depreciation.

3. Depreciated Cost of Improvements or Renovations

Subtract the depreciation from the adjusted cost of improvements or renovations. The balance is the depreciated cost of improvements or renovations.

*As published by the U. S. Department of Commerce, Bureau of Census.

Example

	Actual Cost:	\$500,000.00
	CCI (most recent):	121.1
	CCI (base year):	102.3
1. Adjusted Cost of Improvements or Renovations	Expired Term:	57 mos.
	Whole Term:	408 mos.

$$\text{Actual Cost} \times \frac{\text{CCI (most recent)}}{\text{CCI (base year)}}$$

$$\$500,000.00 \times \frac{121.1}{102.3} = \$591,887.00$$

2. Depreciation

$$\$591,887.00 \times \frac{57 \text{ mos.}}{408 \text{ mos.}} = \$82,690.00$$

3. Adjusted Depreciated Cost of Improvements or Renovations

$$\$591,887.00 - \$82,690.00 = \$509,197.00$$

SCHEDULE B. Adjusted Depreciated Cost of Trade Fixtures

1. Adjusted Cost of Trade Fixture

Multiply the actual cost of the trade fixture by the most recent Honolulu Consumer Price Index for All Urban Consumers (CPI)* and divide the result by the CPI of the year in which the purchase was made (base year).

2. Depreciation

Determine the depreciation percentage on a straight-line basis by dividing the expired term of the trade fixture by its anticipated life. Multiply the adjusted cost of the trade fixture by the depreciation percentage to determine the depreciation.

3. Depreciated Cost of Trade Fixtures

Subtract the depreciation from the adjusted cost of the trade fixture. The balance is the depreciated cost of the trade fixture.

*As published by the U. S. Department of Labor, Bureau of Labor Statistics.

Refrigerator

Example

1. Adjusted Cost of Trade
Fixture

$$\text{Actual Cost} \times \frac{\text{CPI (most recent)}}{\text{CPI (base year)}}$$

$$\$1,510.00 \times \frac{118.1}{104.6} = \$1,705.00$$

2. Depreciation

$$\$1,705.00 \times \frac{57 \text{ mos.}}{96 \text{ mos.}} = \$1,012.00$$

3. Adjusted Depreciated Cost of Trade Fixture

$$\$1,705.00 - \$1,012.00 = \$693.00$$

Actual Cost: \$1,510.00
CPI (most recent): 118.1
CPI (base year): 104.6
Expired Term: 57 mos.
Whole Term: 96 mos.
(Anticipated Life)

SCHEDULE C. Assignment of Contract Calculations

1. Subtract the amount, if any, of the consideration for the assignment that is attributable to inventory.
2. Calculate the Adjusted Depreciated Cost of Improvements or Renovations (see Schedule A).
3. Calculate the Adjusted Depreciated Cost of Trade Fixtures (see Schedule B).
4. Calculate the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the depreciated cost of improvements and trade fixtures being transferred to the assignee by subtracting the amounts derived by Nos. 2 and 3 from the amount in No. 1 above.
5. Determine the appropriate premium percentage. Multiply by the excess, if any, derived by No. 4.

Example

A contract is being assigned 57 months after completion of the improvements at a consideration of \$600,000.00.

The initial cost of the improvements was \$500,000.00 while the current year CCI and base year CCI were 121.1 and 102.3, respectively. The whole term for the improvements is 408 months.

For the trade fixtures, the initial cost was \$1,510.00 with the current year CPI and base year CPI being 118.1 and 104.6, respectively. The total life expectancy is 96 months.

1.	Net Consideration:		\$600,000.00
2.	Adj. Cost Imp./Ren.:	\$591,887.00	
	Depreciation:	<u>- 82,690.00</u>	
	Adj. Dep. Cost Imp./Ren.:		-509,197.00
3.	Adj. Cost Trade Fixtures:	1,705.00	
	Depreciation:	<u>- 1,012.00</u>	
	Adj. Dep. Cost Trade Fixtures:		<u>- 693.00</u>
4.	Excess:		\$90,110.00
5.	Premium:	Percentage: 50%	<u>\$45,055.00</u>

APPENDIX D

CONTRACT

THIS CONTRACT, made this 1st day of July,
1995, by and between the STATE OF HAWAII, by its Director of
Transportation, hereinafter called the "State," and _____
Ampco System Parking
whose business and/or post office address is _____
808 S. Olive Street, Los Angeles, CA 90014,
hereinafter called the "Operator";

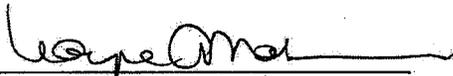
That, for and in consideration of the covenants, agreements, terms, conditions and stipulations contained in this Contract, Notice to Bidders, Instruction to Bidders, Notice of Intention to Bid, Bid, General Terms and Conditions, and Performance Bond and the appropriate attachments, which are attached hereto and/or incorporated herein by reference and shall be made a part of this Contract, and subject to Chapter 103D, HRS, the State does hereby authorize the Operator to manage and operate the Automobile Parking Facilities at Keahole-Kona International Airport, Kailua-Kona, Island of Hawaii, State of Hawaii, described in the General Terms and Conditions and at the fee designated in the Bid and Article V of said General Terms and Conditions submitted by the Operator.

And the Operator hereby covenants and agrees to comply with the terms and conditions provided in this Contract and does hereby further agree to faithfully undertake the management and operation of the Automobile Parking Facilities.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed the day and year first above written.

APPROVED AS TO FORM:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION


Deputy Attorney General

By 
Its Director

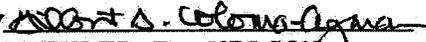
AMPCO SYSTEM PARKING

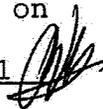
By 
Its
ELEC. V.R.

APPROVED:

BOARD OF LAND AND
NATURAL RESOURCES

Approved by the Board
at its meeting held on

By 
MICHAEL D. WILSON
Chairperson and Member

3-10-95 Item K-1 

STATE OF _____)
COUNTY OF _____) SS
)

On this _____ day of _____, 19____
before me personally appeared _____
to me known to be the person(s) described in and who executed the
foregoing instrument, and acknowledged that _____
executed the same as _____ free act and deed.

Notary Public, _____ Judicial
Circuit, State of _____

My Commission Expires:

STATE OF California)
COUNTY OF Los Angeles) SS
)

On this 19th day of June, 1995
before me appeared Dennis Nasabal
to me personally known, who being by me duly sworn, did say
that he is (are) the Executive Vice President
of Ampco System Parking
and that the seal affixed to the foregoing instrument is the
corporate seal of said corporation and that said instrument was
signed and sealed in behalf of said corporation by authority of
its Board of Directors, and the said Executive Vice President
acknowledged said instrument to be the free act and deed of said
corporation.

Rachel Solis
Notary Public, _____ Judicial
Circuit, State of California

My Commission Expires: 4/28/99

