

**BAYFRONT GARAGE PARKING OPERATING AGREEMENT**

This Bayfront Garage Parking Operating Agreement (“**Agreement**”) dated as of April \_\_\_\_, 2025 (the “**Effective Date**”) is entered into by and between the SAN DIEGO UNIFIED PORT DISTRICT, a public corporation (“**District**”) and ACE PARKING III, LLC, a California limited liability company (“**Operator**”).

**RECITALS:**

The purpose of this Agreement is for District to retain an experienced and qualified independent Operator to operate an attended automobile public parking facility to serve the general public. Operator is not given any possessory rights in the Property (as defined below) by virtue of this Agreement, but in a nonexclusive and nonpossessory manner may enter the Property for the purpose of performing the obligations pursuant to this Agreement. The parking facility subject to the terms of this Agreement is described as follows and is herein referred to as “**Property**”:

Approximately 649,985 square feet of parking area in the Bayfront Parking Garage Facility located at 801 Harbor Drive, in the City of San Diego, California, delineated on District Drawing No. 019-050 dated March 17, 2025, attached hereto as **Exhibit A** and by this reference made a part hereof.

**AGREEMENT:**

1. **TERM:** District hereby retains Operator in the capacity of an advisor and parking operator in connection with the operation and maintenance of the above-described Property for a period of 10 years, commencing on July 1, 2025, and ending on June 30, 2035, subject to earlier termination as provided herein. A period commencing on July 1 and ending on June 30 the following year shall be referred to herein as an “**Agreement Year**”.

Any and all existing permits, or agreements between District and Operator for the Property which have not already expired or terminated, are hereby terminated as of the commencement date of the term of this Agreement; provided that rights, duties, and obligations of the parties, if any, pursuant to the terms, covenants, and conditions in any such hereby terminated agreements shall remain enforceable and subject to all defenses, including without limitation any applicable statute of limitations. Further, said statute shall not be waived or extended because of this Agreement.

2. **PERMITTED USE:** Subject to the provisions of this Agreement, the Property shall be used only and exclusively for the purpose of operating an attended automobile parking garage and for no other purposes whatsoever. Operator shall operate the Property 24 hours per day, seven days per week, 365 days per year and shall charge rates set by the District Ordinance (as the same may be amended or modified).

District, upon providing advance written approval to Operator, may permit the additional use of special events at the Property. Special events may include other uses than parking, including, but not limited to, event tents and equipment staging. Any District approval of any special events at the Property may be granted, withheld, or conditioned in District's sole and absolute discretion.

Any long-term parking agreements entered into by Operator shall provide for cancellation on 30 days' notice, and Operator agrees to cancel any long-term parking arrangements (upon providing the requisite notice) within 10 days of District directing Operator to do so. Operator shall not devote more than 25% of the total number of parking spots located on the Property to long-term automobile storage, unless otherwise approved in advance and in writing by District (such approval to be granted, withheld, or conditioned in District's sole and absolute discretion).

Operator acknowledges and agrees that District may, at its sole and absolute discretion, contract directly with one or more telecommunication companies ("**Telecomm Permittee**") for cellular sites on either the top level (level 7) of the Property or other areas within or on the sides and exteriors of the Property provided that in no event shall any such use or related installations result in the loss or displacement of more than 20 parking spaces within the Property. Operator shall not be due any payment or consideration in connection with such uses or installations, and Operator will not be responsible for repair or maintenance of such areas contracted for use by a Telecomm Permittee or for any utility charges related thereto, which will be provided on a separate meter paid directly by the relevant Telecomm Permittee. District shall provide reasonable advance written notice to Operator of the basic terms and location of any installations to be made by a Telecomm Permittee, and Operator agrees to allow access to the Property at no charge for all related installation and maintenance of such installations. District will require that any Telecomm Permittee additionally insure and indemnify Operator throughout the term of the relevant agreement between District and the Telecomm Permittee. Operator further acknowledges and agrees that an agreement currently in effect between District and AT&T and that such agreement complies with the foregoing provisions of this Section 2.

### 3. **HILTON HOTEL**

a. Hilton Lease. Operator acknowledges and agrees that the property directly adjacent to the Property is the hotel commonly known as the Hilton Bayfront ("**Hilton Hotel**") that is owned and operated by One Park Boulevard, LLC, a Delaware limited liability company (including its successors and assigns, "**Hilton Tenant**"), which leases the Hilton Hotel from District pursuant to that certain Lease dated December 30, 2005 and recorded in the Office of the District Clerk as Document No. 49978 (as the same may be amended and/or restated, the "**Hilton Lease**"). Operator additionally acknowledges that it has received a copy of the Hilton Lease and will abide by the terms thereof to the extent applicable to the Property.

b. Hilton Hotel Parking Allocation. Subject to the provisions of this Section 3(b), Operator shall provide Hilton Hotel an allotment of 894 parking spaces within the Property for the exclusive use by Hilton Hotel guests, which number may be adjusted by District in its sole and absolute discretion upon providing 30 days advance written notice to Operator; provided, however, in the event that, in Operator's reasonable discretion and in consultation with Hilton Tenant, the full allotment of spaces to the Hilton Hotel is not needed, Operator shall be permitted to offer those spaces not required by the Hilton Hotel to other users of the Property. In any case and throughout the term of this Agreement, Operator shall correspond, confer, and collaborate with Hilton Tenant for purposes of exchanging information regarding Hilton Hotel bookings and events that will generate parking demands.

c. Access of Hotel Guests and Employees. Guests, employees, and valet parking attendants of the Hilton Hotel are to be given encoded key cards which will utilize entry and exit readers that are separate from the Property's main access control system, provided that Operator shall fully integrate such key cards with Operator's Parking Access Revenue Control System ("**PARCS**"). Hilton Tenant shall be responsible for (i) maintaining the readers and system to be utilized by Hilton Hotel guests and employees and (ii) providing magnetic cards (or other devices for use with the Operator's PARCS equipment) to its employees and to its valet parking attendants to access the entry and exit readers that are separate from the Property's main access control system.

Vehicles entering the Property without a Hilton Tenant issued key card shall be charged the standard daily/hourly rate for use of the Property.

d. Hilton Hotel Revenue Reporting: By the fifth day of each and every month during the effectiveness of this Agreement (and of the month immediately following its expiration or termination), Operator shall notify District and Hilton Hotel in writing of the total amount of the parking fees actually collected by the Operator during the preceding month from vehicles that were occupied by Hilton Hotel customers ("**Hilton Customer Parking Charges**"), which Hilton Customer Parking Charges shall be subject to payment of percentage rent pursuant to Section 3(e) of the Hilton Lease.

In determining whether a vehicle was occupied by a Hilton Hotel customer, Operator may, but is not restricted to, counting those vehicles that entered the Property through the Hilton Hotel parking entrances.

Pursuant to Section 3(c)(13) of the Hilton Lease, Hilton Tenant shall calculate and pay rent that is due to District from amounts collected by Hilton Tenant from Hilton Tenant's guests, employees, and valet services, and other charges for Hilton Tenant's use of parking spaces on the Property.

In the event of a dispute between District, Operator, and Hilton Tenant regarding the determination of Hilton Hotel customer vehicles and/or the Hilton Customer Parking Charges, Operator agrees that the dispute shall be resolved in accordance with the procedures set forth Section 54 of the Hilton Lease. Operator acknowledges and agrees that it has read such procedures and agrees to be bound thereto in the event of any dispute as set forth above.

4. **QUALITY OF SERVICE:** Operator shall install such equipment and employ and provide trained, experienced, and professional personnel in appropriate attire and in sufficient numbers as is necessary to adequately and effectively operate an attended automobile parking garage in accordance with the highest industry standards. Operator's responsibilities with respect to personnel operating the Property are additionally outlined on Exhibit C attached hereto and incorporated herein.

All Operator personnel with cash-handling responsibilities shall be bonded. At District's request, Operator will remove any staff assigned to the Property immediately and replace the position with qualified staff.

5. **ACCOUNTING OF PROPERTY REVENUE:** Operator shall collect, account for, and deposit and pay over to a depository selected by District, all Gross Income (as defined below) derived from the operation of the Property. District shall provide Operator with written notice of such depository. Such collecting, accounting, and depositing of said Gross Income shall be accomplished in a manner to be approved expressly in writing by the Executive Director of District, and such aforesaid collecting, accounting, and depositing activities shall be subject to change by express written direction from the Executive Director of District. District shall supply Operator with deposit slips and Operator shall deposit daily all such Gross Income in the designated depository. Should District at any time change its depository, Operator shall be given at least seven days' express written notice of such change. Operator further agrees that it will maintain for District true, accurate, and complete records in a form satisfactory to District of all such Gross Income. District shall have the right at any and all reasonable times to examine and audit said records without restriction for the purpose of determining the accuracy thereof and of the daily and monthly records of Gross Income derived from operation of the Property. All records kept by Operator shall be maintained in a location satisfactory to District. Not later than the fifth day following the close of each calendar month, Operator shall file with District a statement of said Gross Income for the preceding calendar month along with a duplicate deposit slip for each daily deposit made during the preceding month.

**“Gross Income”** as used in this Agreement shall include any and all income resulting from Operator's activities on the Property from whatever source derived.

Operator shall provide for issuance of serially numbered parking tickets to all customers using the Property. Operator shall maintain a daily record of all tickets issued and receipts received. Said record shall be made available to District on demand.

6. **OPERATOR'S FEES:** Operator's fees shall be paid in accordance with the terms of this Section 6.

a. Initial Budget. Within 30 days of execution of this Agreement for the Agreement Year commencing on July 1, 2025, and no later than 90 days prior to each subsequent Agreement Year, Operator shall submit a budget showing Operator's projected expenses for the applicable upcoming Agreement Year (each such budget a **“Yearly Budget”**). Each Yearly Budget shall include (i) Operator's payroll burden rate and overhead rate, if applicable, and in reasonable detail and (ii) a monthly budget of Operator's projected staffing hours and expenses by each position. Approval of a Yearly Budget shall be within the District's sole and absolute discretion; provided that any District objections to a Yearly Budget shall be submitted in writing to Operator within 30 days of receipt, and thereafter the District and Operator agree to meet and confer to discuss such objections and attempt to reach a resolution acceptable to both District and Operator. In the event District fails to issue a written objection to a Yearly Budget within said 30-day period, then such Yearly Budget shall be deemed approved by District.

b. Remuneration Statement. By the 10th day of each month during the term of this Agreement (and the month immediately following the expiration or earlier termination of this Agreement), Operator will submit to District a detailed, itemized statement (a **“Remuneration Statement”**) of Operator's actual costs expended in operating the Property during the previous calendar month, including overhead (overhead is bookkeeping services and payroll-related expenses incurred by Operator such as payroll taxes, Worker's Compensation insurance premiums, and employee fringe benefits).

Operator's itemized statement shall be accompanied by copies of payroll records, listing each employee by name, hours worked, and wages paid. To the extent any expenses set forth in a Remuneration Statement differ from the applicable approved Yearly Budget, Operator shall be required to obtain prior express written consent of the Executive Director of District for any acquisition of materials and/or services cumulatively resulting in an increase of **\$500** or more for the month to which the Remuneration Statement relates. An invoice and/or receipt for each expenditure shall accompany the itemized statement. Note District shall not be responsible to reimburse for any late fees on invoices that Operator incurs due to late payment of any and all invoices.

In addition, Operator will include on each Remuneration Statement the following: (i) a separate item called "Operator's Management Fee," which shall be **\$2,000 per month** for the term of this Agreement; and (ii) the calculation of the Operator Incentive Fee in accordance with Section 6(c) below.

For purposes of this Agreement, Operator's operating expenses that are approved by District in accordance with the terms of this Agreement for a given Agreement Year shall be referred to herein as "**Operating Expenses**."

Any Remuneration Statement shall be sworn to and signed by Operator or its responsible agent under penalty of perjury. District will have 30 days to review and approve of any Remuneration Statement, such approval not to be unreasonably withheld, conditioned, or delayed; provided that District may reasonably withhold consent to any Remuneration Statement in the event it is not in accord with the applicable approved Yearly Budget or any approved revisions thereto. Any District objections to a Remuneration Statement shall be submitted in writing to Operator within such 30-day period, and thereafter the District and Operator agree to meet and confer to discuss such objections and attempt to reach a resolution reasonably acceptable to both District and Operator. In the event District fails to issue a written objection to a Remuneration Statement within said 30-day period, then such statement shall be deemed approved by District. Within 30 days of receipt of any approved Remuneration Statement, District will remit to Operator payment for its actual costs, including overhead, and the Operator's Incentive Fee (if any), documented in such statement month.

c. Operator Incentive Fee. For purposes of this Agreement, the "**Operator Incentive Fee**" shall be calculated as the product of (i) the Percentage Factor (as defined below) and (ii) the Net Income (as defined below) in excess of the Bayfront's Net Income Threshold set forth on Exhibit B for the applicable Agreement Year (FY26 being the first Agreement Year).

The "**Percentage Factor**" for the entire term of this Agreement shall be 10.39% during the term of the Agreement.

"**Net Income**" for a given Agreement Year shall equal Gross Income less Operating Expenses.

By way of example, in the first Agreement Year (FY26) commencing July 1, 2025, the Operator Incentive fee shall equal (i) Net Income in excess of the Bayfront Net Income Threshold of \$2,100,000 for FY26 multiplied by (ii) 10.39%.

d. Audit Rights. District shall have the right at any and all reasonable times to examine Operator's expense records without restriction for the purposes of determining the accuracy of such records and/or any Remuneration statement. All expense records kept by Operator shall be maintained in a location within San Diego County satisfactory to District.



If any audit conducted by District reveals an inaccuracy in a previously approved Remuneration Statement or an underpayment or overpayment of amounts due to Operator under this Agreement, Operator shall refund to District the amount of the overpayment within 30 days following written notice to Operator, or District will pay the amount of the underpayment within 30 days following the determination of such underpayment; provided that any underpayment must be in compliance with the approved Yearly Budget and any changes thereto. If the audit reveals a discrepancy of 3% or more between the amounts due to Operator pursuant the terms of this Agreement as reported by Operator in the Remuneration Statement(s) and the amounts due as determined by the audit, then Operator shall also pay the cost of the audit within 30 days after written notice from District.

This Section 6 shall survive the expiration or earlier termination of this Agreement.

7. **PARKING RATES:** The parking fees, charges, and rates to be charged shall be those fees in effect as of the Effective Date at the Property via Ordinance No. 3090, dated May 9, 2023 (the “**Parking Ordinance**”) as identified below. District may, at any time upon providing written notice to Operator, change such parking fees, charges, and rates to be charged at the Property, including via revisions to the Parking Ordinance. However, Operator may, at any time in the future, request changes in any parking fee, charge, or rate. Such requests shall be submitted in writing to the San Diego Unified Port District, Guest Experiences Department, Post Office Box 120488, San Diego, California 92112-0488. No parking fee, charge, or rate shall be established, charged, or changed without the prior express written approval of District, any such approval to be granted, withheld, or conditioned in the District’s sole and absolute discretion. Operator shall uniformly apply all parking rates, fees, and charges for the Property in accordance with this Section 7.

**Parking Fees as of the Effective Date**

<b>Rate Type</b>	<b>Rates</b>
Public Rate Up To 1 Hour	\$11.00
Convention Center Event Rate	\$15.00 to \$25.00
Public Daily Rate, to include Special Event Rate (Non-Convention Center Events)	\$15.00 to \$50.00
Monthly Parking Rate	\$60.00 to \$200.00
Shuttle Program	\$5.00 to \$20.00
Public Twilight Rate – after 6 PM (Subject to demand and advance purchase)	\$7.00 (Sun thru Thurs) \$10.00 (Fri thru Sat and Holidays)

8. **UTILITIES:** District shall furnish water utilities it deems necessary for the Property at District's own cost and expense. Operator shall be responsible, at its sole cost and expense for the following: (a) all existing electric and gas utilities, (except for meter(s) that serve telecommunications equipment and any Hilton Tenant installed utilities to furnish power to their EV equipment, if installed); (b) telephone, internet, and data service required to operate the Property, at its sole cost and expense and pay directly as part of the Operating Expenses for the Garage.

9. **ASSIGNMENT:** None of the rights or privileges granted by this Agreement shall be assignable or transferable in any way without the consent of District, which may be granted, conditioned, or withheld in District's sole and absolute discretion. Except for third-parties utilizing the Property for the uses permitted by this Agreement, Operator shall not grant any permission to any other person to occupy any of the Property without such consent. Any such purported assignment, transfer, sublease, or permission given without such consent shall be void as to District without any action required by any party.

10. **ENCUMBRANCE:** Operator shall not encumber the Agreement or improvements thereon by a deed of trust, mortgage, or other security instrument.

11. **IMPROVEMENTS:** Operator shall make no changes or alterations in the Property, nor make, erect, or install any buildings, structures, signs, machines, or other improvements thereon (including any major improvements as set forth below) without the prior express written consent of the District, which consent may be granted, withheld, or conditioned in District's sole and absolute discretion; provided that Operator shall provide proper containers for trash and keep the Property free and clear of rubbish, debris, and litter at all times. Operator shall work directly with the District on any needed proposed major improvement projects including, but not limited to, PARCS equipment, security cameras/CCTV service, electronic entry signs. Should any such improvements be approved by District, Operator agrees that the costs thereof shall be paid by Operator and amortized as a monthly expense over the term of this Agreement and to be included in a Yearly Budget and Renumeration Statement.

District shall have the absolute right and to make any changes or improvements on or about the Property upon providing written notice of the same to Operator.

12. **MAINTENANCE:** Operator hereby agrees that the Property is in a good and usable condition, that Operator will take good care of said Property and appurtenances, including any personal property belonging to District, and that except for elevator maintenance as provided in Section 12(c) below, Operator, as a part of the consideration for this Agreement, will keep and maintain the Property, appurtenances, and personal property in good, safe, clean, and sanitary condition and repair during the term of this Agreement. Except for District's responsibilities for elevator maintenance set forth in Section 12(c) below, District shall at no time during the period of this Agreement be required to maintain or to make any improvements or repairs to the Property. In connection with its maintenance and repair obligations, Operator shall be responsible for the following:



a. Operator shall be responsible for the operation and maintenance expenses for all security services and systems, security cameras/CCTV system, fire safety systems and fire extinguishers, EXIT lights, all cleaning and custodial services, sweeping, degreasing, power washing, storm drain cleaning, painting, signs, pest control, trash removal, all general maintenance and repair for the Property (including electrical, lighting, and back-up emergency generator), utilities for telephone, internet, and data, operating costs, necessary upgrades to parking equipment, including the PARCS equipment and any technology required to operate the Property.

b. Operator shall follow Minimum Security Specifications as outlined in Exhibit D attached hereto as well as the Minimum Operating Agreement Specifications for Janitorial Services as outlined in Exhibit E attached hereto.

c. With respect to maintaining the four elevators located on the Property, District shall enter a contract for regularly scheduled elevator maintenance and monitoring with a service company ("**Elevator Servicer**") as selected by District in its reasonable discretion. The costs and expenses associated with such contracts shall be the sole responsibility of District and shall not be included in any Yearly Budget, Renumeration Statement, or other expenses to be reimbursed by District to Operator. Maintenance shall include, but not limited to regular adjustments, repairs, testing and inspections and annual permit inspections to maintain the elevators in working, clean and safe condition for public use. Operator shall notify the District of any imminently needed repairs and also contact Elevator Service for the same. In connection therewith, Operator shall coordinate service, inspection, and maintenance of the elevators with Elevator Servicer and District as reasonably necessary.

Notwithstanding the foregoing, Operator will be responsible for cleaning of the interior and exterior of all elevators located on the Property no less than four times daily and Operator may be required to update signs indicating elevator location as needed. Cleaning will require the use of stainless-steel specific cleaners and glass cleaner. Operator's staff and security shall regularly inspect the elevators for damage and vandalism and report any of the same to District immediately.

d. Operator shall be responsible to monitor use of electric vehicle stations and notify District if repairs are needed. Currently there are three electric vehicle stations with BLINK servicing three parking spaces on Level One. District and/or Hilton may add additional electric vehicle stations in the future.

13. **TITLE TO IMPROVEMENTS:** On the commencement date of the term of this Agreement, all improvements, including existing parking control equipment and exit booths, located on the Property are owned by and title thereto is vested in District. Structures, installations, or improvements of any kind placed on the Property by Operator shall at the option of District be removed by Operator. District may exercise said option

as to any or all of the structures, installations, and improvements either before or after the expiration or earlier termination of this Agreement. If District exercises such option, Operator shall remove such structures, installations, or improvements within three days after the expiration or earlier termination of this Agreement. If Operator fails to remove such structures, installations, or improvements within said three days, District shall have the right to have such structures, installations, or improvements removed at the expense of Operator, and Operator shall pay District on demand for all costs incurred by District in connection with such removal. As to any or all structures, installations, or improvements that District does not exercise said option for removal, title thereto shall vest in District without cost to District and without payment to Operator.

Machines, appliances, equipment, and trade fixtures of any kind placed on the Property by Operator shall be removed by Operator within three days after the expiration or earlier termination of this Agreement; provided, however, Operator agrees to repair any and all damage occasioned by the removal thereof. If any such machines, appliances, equipment, and trade fixtures are not removed within three days after the termination or cancellation of this Agreement, the same may be considered abandoned and shall thereupon become the property of District without cost to District and without payment to Operator; except that District shall have the right to have the same removed and discarded at the expense of Operator, and Operator shall pay District upon demand for all costs incurred by District in connection with such removal and discarding.

14. **TERMINATION:** District expressly reserves the right to cancel this Agreement for any or no reason by giving 90 days' notice in writing to Operator without incurring any liability whatsoever to Operator for any damage or loss occasioned by such cancellation except for items due to Operator pursuant to any Operator's Remuneration Statement through the date of such termination and as set forth below for the unamortized costs of any improvements made in accordance with Section 11.

Except as set forth below, if District terminates this Agreement prior to the expiration hereof, then District will reimburse the Operator for the unamortized portion of any improvements made in accordance with Section 11 above for which District has been making monthly payments to Operator for the costs thereof. Payment of balance of any such improvements expense at termination by District shall be made no later than 90 days following the termination of this Agreement. Notwithstanding the foregoing, if this Operating Agreement is terminated pursuant to Section 22 below or any provision of this Agreement other than pursuant to this Section 14, District shall have no obligation to reimburse the Operator for any unamortized cost for the relevant improvements.

15. **INDEPENDENT CONTRACTOR:** Operator and any agent or employee of Operator shall act in an independent capacity and not as officers or employees of District. District assumes no liability for Operator's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied, or explicit, by

or for Operator. Operator shall not have authority to act as an agent on behalf of District unless specifically authorized to do so in writing. Operator acknowledges that it is aware that because it is an independent contractor, District is making no deduction from any amount paid to Operator and is not contributing to any fund on its behalf. Operator disclaims the right to any fee or benefits except as expressly provided for in this Agreement.

16. **TAXES:** This Agreement may result in a taxable possessory interest and may be subject to the payment of property taxes. Operator shall pay before delinquency all taxes and assessments of any kind assessed or levied upon Operator or the Property by reason of: (a) this Agreement; (b) any machines or other improvements of any nature whatsoever erected, installed, or maintained by Operator; or (c) the business or other activities of Operator upon or in connection with the Property. Operator also shall pay any fees imposed by law for licenses or permits for any business or activities of Operator upon the Property, or under this Agreement, and shall pay before delinquency any and all charges for gas and electricity utilities at or on the Property.

17. **HOLD HARMLESS:** Except for any Claims (as that term is defined below) arising from the sole negligence or willful misconduct of District, Operator shall, defend, indemnify, and hold harmless District and its officials, officers, representatives, agents, and employees from any litigation, claim, action, proceeding, loss, damage, cost, expense (including, without limitation, all attorneys' fees and consultant/expert fees), award, fine, penalty or judgment (collectively, "**Claims**") arising directly or indirectly out of, from, or in connection with: (a) the obligations undertaken in connection with this Agreement; (b) the possession, use, occupancy, operation or development of the Property by Operator or Operator's representatives, agents, employees, consultants, contractors, invitees, subtenants, successors, assigns or similar users/affiliates (collectively, "**Operator Affiliate**"); (c) the approval of this Agreement, or other permits or approvals granted to Operator or an Operator Affiliate related to the Property, including, but not limited to, approvals or permits for the development of any structures, buildings, installations, and improvements on the Property, or use/operation of the Property (collectively, "**Related Approvals**"); and (d) environmental documents, mitigation and/or monitoring plans, or determinations conducted and adopted pursuant to the California Environmental Quality Act or the National Environmental Policy Act for this Agreement or Related Approvals.

Operator acknowledges and agrees that it is the sole and exclusive responsibility of Operator, and not District, to: (i) ensure that all persons and/or entities including, but not limited to, Operator or an Operator Affiliate, who provide any labor, services, equipment, and/or materials (collectively, "**Services**") in connection with the development, construction, possession, use, occupancy, or operation of the Property, this Agreement and Related Approvals shall comply with the requirements of California's and any other prevailing wage laws ("**PWL**") to the extent such laws are applicable; and (i) determine whether any Services are subject to the PWL. The obligations to defend, indemnify, and hold District harmless shall apply to, in addition to other Claims, any and all PWL Claims, except for those arising from the sole negligence or willful misconduct of District.

District may, in its sole and absolute discretion and in good faith, participate in the defense of any Claims and Operator shall reimburse District for said defense, including, but not limited to, reimbursement for outside attorneys' and experts' fees, and other costs. District's participation shall not relieve Operator of any of its obligations under this Section 17. District shall provide reasonable notice to Operator of its receipt of any Claims.

This Section 17 and the other obligations of Operator under this Agreement are independent of, and in addition to, the obligations of Operator under any existing lease(s), other contractual agreement(s) or permits with or granted by District, and are binding upon Operator, and its agents, representatives, successors and assigns. This Section 17 shall survive the expiration or any termination of this Agreement.

18. **INSURANCE:** Operator shall comply with all provisions of this Section 18 with respect to insurance at all times this Agreement is in effect.

a. Operator shall be required to maintain the following insurance:

i. "OCCURRENCE" form Commercial General Liability Insurance covering Property and operations in the amount of not less than Five Million Dollars (\$5,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act or activities of Operator, of any person acting for it or under its control or direction, or any person authorized by it to use the rented Property. Either the general aggregate limit shall apply separately to this location by separate aggregate per location endorsement for Five Million Dollars (\$5,000,000) or the general aggregate limit shall be twice the required occurrence limit of Ten Million Dollars (\$10,000,000). Any amount of excess or umbrella liability can be used to comply with these requirements.

ii. Worker's Compensation in statutory required limits and Employer's Liability in an amount of not less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease. This policy shall be endorsed to include a waiver of subrogation endorsement.

iii. Commercial Crime Insurance in the amount of One Million Dollars (\$1,000,000) including coverage for Employee Theft, Forgery or Alteration, Inside or Outside the Property – Theft of Money and Securities, Inside the Property – Robbery or Safe Burglary of Other Property.

b. All required insurance shall be in force the first day of the term of this Agreement. All insurance companies must be satisfactory to District, and the cost of all required insurance shall be borne by Operator. Certificates in a form acceptable to District evidencing the existence of the necessary insurance policies, and original endorsements effecting coverage required by this clause, shall be kept on file with District during the entire term of this Agreement. Certificates for each

insurance policy are to be signed by a person authorized by that insurer to issue evidence of coverage on its behalf. Endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. District reserves the right to require complete, certified copies of all required policies at any time.

c. All liability insurance policies will name, or be endorsed to name, District, its officers, officials and employees as additional insureds and protect District, its officers, officials and employees against any legal costs in defending claims. All insurance policies will be endorsed to state that coverage will not be suspended, voided, canceled, reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested has been given to District. And, all insurance policies will be endorsed to state that Operator's insurance is primary and not excess or contributing to any insurance issued in the name of District.

Any deductibles or self-insured retentions must be declared and acceptable to District. At the option of District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects District, its officers, officials, and employees; or, Operator shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

d. District shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of District, the insurance provisions in this Agreement do not provide adequate protection for District and/or for members of the public, District may require Operator to obtain insurance sufficient in coverage, form and amount to provide adequate protection. District's requirements shall be reasonable but shall be designed to assure protection from and against the kind and extent of risk which exist at the time a change in insurance is required.

District shall notify Operator in writing of changes in the insurance requirements and, if Operator does not deposit certificates evidencing acceptable insurance policies with District incorporating such changes within 60 days of receipt of such notice, this Agreement shall be in default without further notice to Operator, and District shall be entitled to all legal remedies.

e. The procuring of such required policies of insurance shall not be construed to limit Operator's liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement. Notwithstanding said policies of insurance, Operator shall be obligated for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Agreement or with the use or occupancy of the rented Property.



19. **CONFORMANCE WITH RULES AND REGULATIONS:** Operator agrees that in all activities on or in connection with the Property, and in all uses thereof, including the making of any alterations, changes, installations, or other improvements, it will abide by and conform to all laws and regulations. Said laws and regulations shall include, but are not limited to, those prescribed by the San Diego Unified Port District Act; any ordinances of the city in which the Property is located, including the Building Code thereof, any ordinances and general rules of District, including tariffs and the Ordinance, and any applicable laws of the State of California and federal government, and any and all laws, regulations, and requirements that regulate pollutants, contaminants, or hazardous, dangerous, or toxic chemicals, materials, or substances, including, without limitation, asbestos and oil and petroleum products or otherwise relate to public health and safety or the protection of the environment, as any of the same now exist or may hereafter be adopted or amended. In particular and without limitation, Operator shall have the sole and exclusive obligation and responsibility to comply with the requirements of: (a) District Stormwater Requirements (as defined below) and (b) the Americans With Disabilities Act of 1990, including but not limited to regulations promulgated thereunder, and District shall have no such obligations or responsibilities as to the Property.

District has the authority to make and enforce necessary rules and regulations governing, among other things, stormwater management and discharge control. District's current stormwater regulations are found in Article 10 of the San Diego Unified Port District Code entitled "Stormwater Management and Discharge Control" (as the same may be amended or modified from time to time, "**Stormwater Requirements**") which Operator shall have the sole and exclusive obligation and responsibility to comply with. Among other things, the Stormwater Requirements prohibits all non-stormwater discharges to the stormwater conveyance system and the San Diego Bay. Discharges to the storm drain system or the San Diego Bay that are not entirely stormwater violate the Stormwater Requirements, which also requires the implementation of Best Management Practices (including, but not limited to, outdoor sweeping to adequately control dust and debris, keeping the Property clear of unauthorized non-stormwater discharges, including irrigation runoff, and keeping waste containers covered or lids closed). A full list of minimum required Best Management Practices can be found in the District's Jurisdictional Runoff Management Program which can be viewed on the District's website <https://www.portofsandiego.org/environment/environmental-protection/stormwater>.

20. **COMPLIANCE WITH PREVAILING WAGE LAWS:** It is the policy of District that prevailing wage rates shall be paid to all persons who are employed by Operator on the Property.

21. **APPLICABLE MINIMUM WAGE REQUIREMENTS:** Operator is responsible for complying with any State of California's or applicable city's minimum wage requirements.



## 22. **DEFAULT AND REMEDIES:**

a. **Defaults.** The occurrence of any one or more of the following events shall constitute a default hereunder:

i. Abandonment of the Property. Abandonment is herein defined to include, but is not limited to, any absence by Operator from the Property for one day or longer.

ii. Failure to Pay. Failure by Operator to pay or deposit, when due or as required by this Agreement, a District revenue, other payment, and/or charge herein, where such failure continues for a period of 10 days after written notice thereof. Any such notice provided in this Section 22(a)(ii) or in subsequent Section 22(a)(iii) shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure, as amended.

iii. Failure to Perform. Failure by Operator to perform any other express or implied covenants or conditions in this Agreement, should such failure continue for 30 days after written notice thereof.

iv. Bankruptcy. Subject to any restrictions or limitations placed on District by applicable laws governing bankruptcy, Operator's: (A) applying for, consenting to, or suffering the appointment of a receiver, trustee, or liquidator for all or a substantial portion of its assets; (B) making a general assignment for the benefit of creditors; (C) admitting in writing its inability to pay its debts or its willingness to be adjudged a bankrupt; (D) becoming unable to, or failing to, pay its debts as they mature; (E) being adjudged a bankrupt; (F) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization, or insolvency law (unless in the case of an involuntary petition, the same is dismissed within 30 days of such filing); (G) convening a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium, extension, or composition of its debts; or (H) suffering, or permitting to continue unstayed and in effect for 10 consecutive days, any attachment, levy, execution, or seizure of all or a substantial portion of Operator's assets or of Operator's interest in this Agreement.

b. **Remedies.** In the event of any default, District may (i) terminate this Agreement upon providing written notice to Operator in which case Operator shall immediately surrender possession of the Property to District; and/or (ii) recover from Operator any amount necessary to compensate District for all the detriment

proximately caused by Operator's failure to perform its obligations under this Agreement, or which would ordinarily be likely to result therefrom, including but not limited to the cost of recovering possession of the Property, expenses of contracting (including necessary repair, renovation and alteration of the Property), reasonable attorneys' fees, and any other costs.

23. **LIENS:** Operator shall defend, indemnify, and hold harmless District against all claims and liens for labor, services, or materials in connection with improvements, repairs, or alterations made by Operator or Operator's sublessees, contractors, and agents on the Property, and the costs of defending against such claims and liens, including reasonable attorneys' fees.

In the event any such claim or lien, or any other claim(s), lien(s) or levy(ies) whatsoever of any nature caused by Operator or Operator's sublessees, contractors, and agents, is filed against the Property, Operator shall, upon written request of District, deposit with District a bond conditioned for the payment in full of all claims upon which said lien(s) or levy(ies) have been filed. Such bond shall be acknowledged by Operator, as principal, and by an entity licensed by the Insurance Commissioner of the state of California to transact the business of a fidelity and surety insurance company, as surety. District shall have the right to declare this Agreement in default in the event the bond required by this Section 23 has not been deposited with District within 10 days after written request has been delivered to Operator.

The provisions of this Section 23 shall survive the expiration or earlier termination of this Agreement.

24. **EASEMENTS:** This Agreement and all rights granted hereunder are subject to all easements and rights-of-way previously granted or reserved by District in, upon, over, and across the Property for any purpose whatsoever. Said Agreement and granted rights shall be subject to future easements and rights-of-way for access, gas, electricity, water, sewer, drainage, telephone, telegraph, television transmission, and such other District or public facilities as District may determine from time to time to be in the best interests of the development of the lands within District's jurisdiction. Operator shall not be entitled to any monetary payment or other remuneration for any such future easements and rights-of-way.

25. **TITLE OF DISTRICT:** District's title is derived from the provisions of the San Diego Unified Port District Act, Appendix 1, Harbors & Navigation Code, and is subject to the provisions of said Act. This Agreement is granted subject to the terms and conditions of said Act.

26. **ENTIRE UNDERSTANDING:** This Agreement contains the entire understanding and agreement of the parties. Operator acknowledges there is no other written or oral understanding or agreement between the parties with respect to the Property, and that this Agreement supersedes all prior negotiations, discussions, obligations, and rights of the parties hereto. No waiver, modification, amendment, or alteration of this Agreement shall be valid unless it is expressly in writing and signed by authorized representatives of the parties hereto. Each of the parties to this Agreement acknowledges that no other party, agent, or representative has made any promise, representation, waiver, or warranty whatsoever, expressed or implied, which is not expressly contained in writing in this Agreement. Each party further acknowledges it has not executed this Agreement in reliance upon any collateral promise, representation, waiver, or warranty, or in reliance upon any belief as to any fact not expressly recited in this Agreement.

27. **NONDISCRIMINATION:** Operator shall comply with Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the California Constitution; the California Fair Employment and Housing Act; the ADA; and any other applicable laws now existing or hereinafter enacted, requiring equal employment opportunities or prohibiting discrimination. This shall include without limitation, laws and regulations prohibiting discrimination because of race, color, religion, sex, national origin, ancestry, physical or mental disability, veteran status, medical condition, marital status, age, sexual orientation, pregnancy, or other non-job-related criteria. In complying with all such laws, including without limitation the ADA, Operator shall be solely responsible for such compliance and required programs, and there shall be no allocation of any such responsibility between District and Operator. Each Subtenant, if any, shall comply with the requirements of this Section 27.

28. **PEACEABLE SURRENDER:** Upon expiration of this Agreement or earlier termination or cancellation thereof, as herein provided, Operator shall peaceably surrender the Property to District in as good condition as the Property was at the commencement date of this Agreement, except as the Property were repaired, rebuilt, restored, altered, or added to as permitted or required by the provisions of this Agreement, ordinary wear and tear excepted, and subject to Sections 12 and 13 herein. If Operator fails to surrender the Property at the expiration of this Agreement or the earlier termination or cancellation thereof, Operator shall defend and indemnify District from all liability and expense resulting from the delay or failure to surrender, including without limitation any succeeding Operator claims based on Operator's failure to surrender. The provisions of this Section 28 shall survive the expiration or earlier termination of this Agreement.

29. **ACCEPTANCE OF PROPERTY:** BY SIGNING THIS AGREEMENT, OPERATOR REPRESENTS AND WARRANTS THAT IT HAS INDEPENDENTLY INSPECTED THE PROPERTY AND MADE ALL TESTS, INVESTIGATIONS, AND OBSERVATIONS NECESSARY TO SATISFY ITSELF OF THE CONDITION OF THE PROPERTY. OPERATOR AGREES IT IS RELYING SOLELY ON SUCH INDEPENDENT INSPECTION, TESTS, INVESTIGATIONS, AND OBSERVATIONS IN MAKING THIS AGREEMENT. OPERATOR ALSO ACKNOWLEDGES THAT THE PROPERTY IS IN THE CONDITION CALLED FOR BY THIS AGREEMENT, THAT DISTRICT HAS PERFORMED ALL WORK WITH RESPECT TO THE PROPERTY, AND THAT OPERATOR DOES NOT HOLD DISTRICT RESPONSIBLE FOR ANY DEFECTS IN THE PROPERTY. OPERATOR FURTHERMORE ACCEPTS, AND SHALL BE RESPONSIBLE FOR, ANY RISK OF HARM TO ANY PERSON AND PROPERTY, INCLUDING WITHOUT LIMITATION EMPLOYEES OF OPERATOR, FROM ANY LATENT DEFECTS IN THE PROPERTY.

Initial: JB \_\_\_\_\_  
Operator

30. **WARRANTIES-GUARANTEES:** District makes no warranty, guarantee, or averment of any nature whatsoever concerning the condition of the Property, including the physical condition thereof, or any condition which may affect said Property, and it is agreed that District will not be responsible for any loss or damage or costs which may be incurred by Operator by reason of any such condition or conditions.

31. **NOTICES:** Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (a) hand delivery, (b) one business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, (c) upon email transmission (except that if the date of such transmission is not a business day, then such notice shall be deemed to be given on the first business day following such transmission), or (d) two business days after being deposited in the United States mail, certified mail, postage prepaid, return receipt required, and addressed as applicable:

**To District**

Executive Director  
San Diego Unified Port District  
Post Office Box 120488  
San Diego, CA 92112-0488  
Email: landerso@portofsandiego.org

**To Operator**

Ace Parking III, LLC  
645 West Ash Street  
San Diego, CA 92101  
Email:  
kjones@aceparking.com

Any party may designate a different address by giving written notice as set forth in this Section 31.

32. **ATTORNEY'S FEES:** In the event any suit is commenced to enforce, protect or establish any right or remedy of any of the terms and conditions hereof, including without limitation a summary action commenced by District under the laws of the state of California relating to the unlawful detention of property, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

33. **DISTRICT CONSENT/APPROVAL:** Unless a different approval standard is expressly indicated, then whenever in this Agreement the consent or approval of the District is required, such consent or approval may be given or denied in the sole and absolute discretion of the Executive Director of the District or any of their designees, as appropriate.

34. **INCORPORATION OF RECITALS AND EXHIBITS.** The Recitals set forth above are hereby incorporated by reference and deemed a part of this Agreement. All Exhibits attached to this Agreement are also incorporated by reference and deemed a part hereof.

35. **NO WAIVER:** The waiver or failure to enforce any provision of this Agreement will not operate as a waiver of such party's right to enforce future breaches of any such provision or any other provision of this Agreement.

36. **APPLICABLE LAW:** This Agreement will be governed by and construed and enforced in accordance with the laws of the State of California. Venue for any legal proceeding shall be in San Diego County, California.

37. **PARTIAL INVALIDITY:** If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, that portion will be deemed severed from this Agreement and the remaining parts of this Agreement will remain in full force as fully as though the invalid, illegal or unenforceable portion had never been part of this Agreement.

38. **CAPTIONS:** All captions to, or headings of, the sections or sub-sections of this Agreement are solely for the convenience of the parties, are not a part of this Agreement and will not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

39. **COUNTERPARTS:** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement. Any facsimile or copies of original signatures or signatures delivered electronically (such as .pdf, .tif, or other electronic files or via DocuSign) shall be considered and treated as if they were original signatures.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, District and Operator have executed this Bayfront Garage Parking Operating Agreement as of the Effective Date.

APPROVED AS TO FORM AND LEGALITY  
**SAN DIEGO UNIFIED PORT DISTRICT**  
GENERAL COUNSEL

By: \_\_\_\_\_  
Assistant/Deputy

By: \_\_\_\_\_  
Ken Wallis  
Director, Guest Experiences

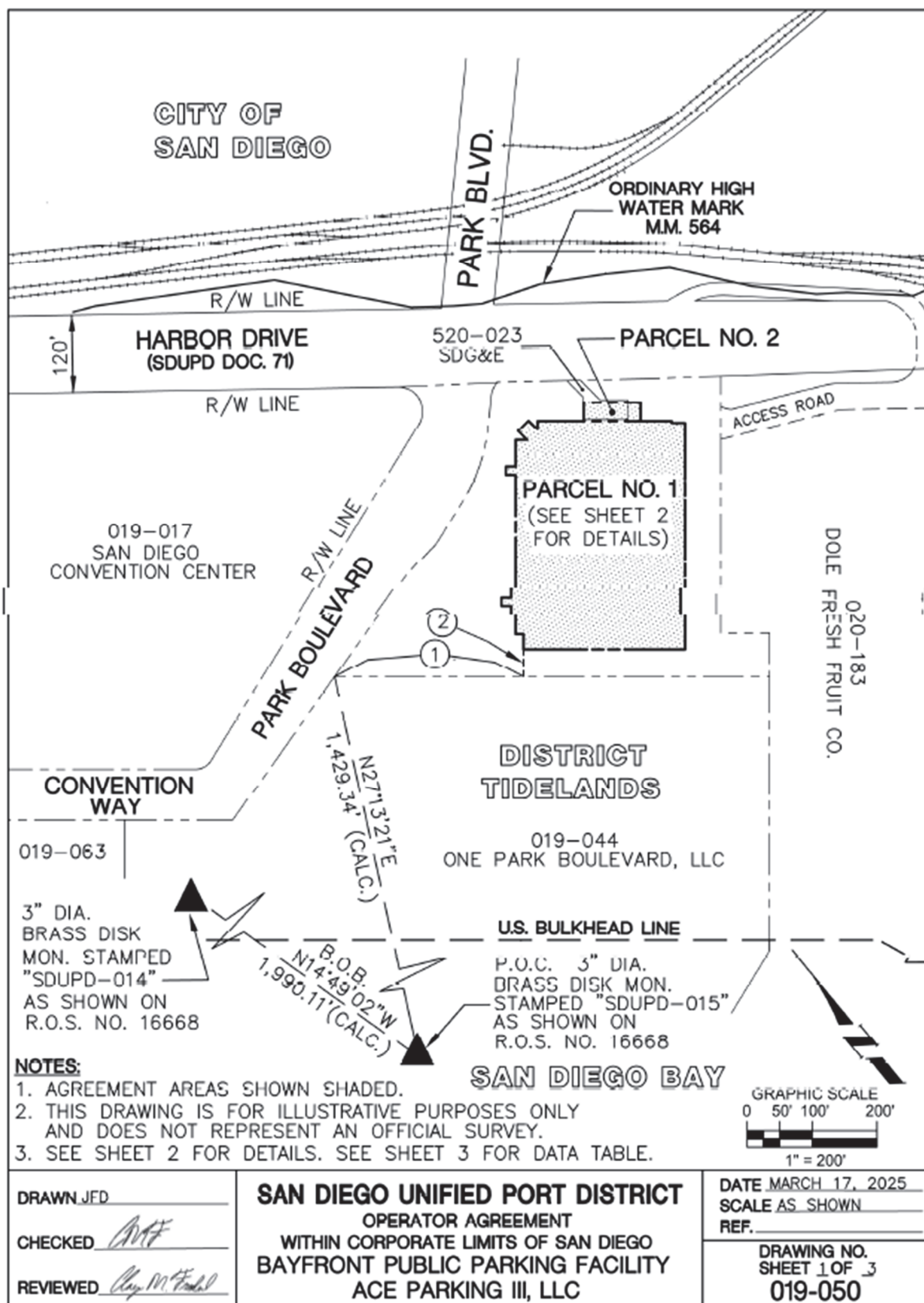
**ACE PARKING III, LLC,**  
a California limited liability company

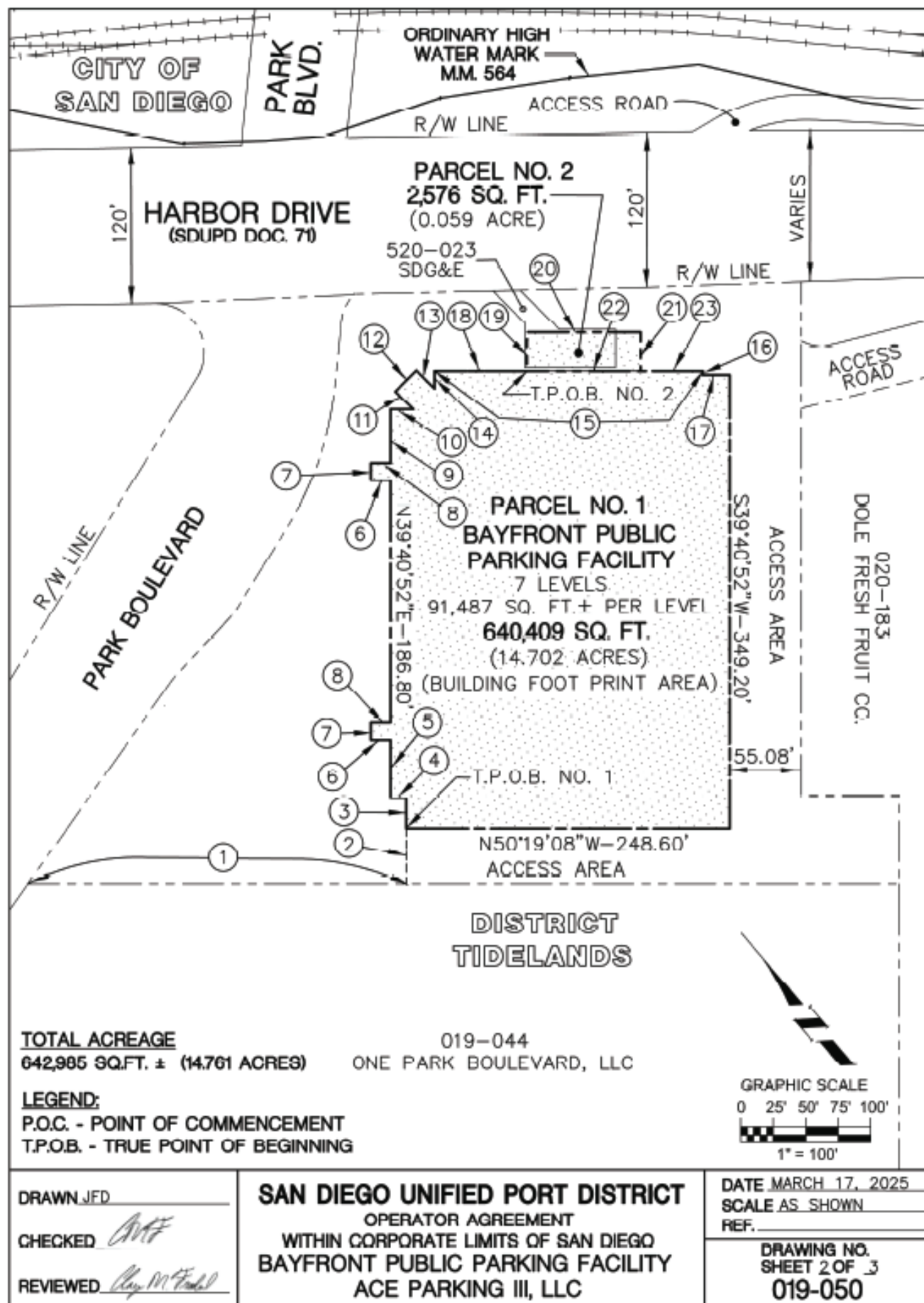
By John Baumgardner \_\_\_\_\_

Name: John Baumgardner

Title: CEO



**EXHIBIT A**



DEVSRV\REM\1019\019-050\019-050\_031725.DWG

# DATA TABLE

① S50°19'08"E-291.07'	⑬ S05°19'08"E-19.71'
② N39°40'52"E-42.90'	⑭ N39°40'52"E-13.47'
③ N39°40'52"E-23.50'	⑮ S50°19'08"E-206.50'
④ N50°19'08"W-12.20'	⑯ S39°40'52"E-3.00'
⑤ N39°40'52"E-44.50'	⑰ S50°19'08"W-20.50'
⑥ N50°19'08"W-15.10'	⑱ S39°40'52"E-71.04'
⑦ N39°40'52"E-13.30'	⑲ N39°40'52"E-29.43'
⑧ S50°19'08"E-15.10'	⑳ S50°19'08"E-87.52'
⑨ N39°40'52"E-41.00'	㉑ S39°40'52"W-29.43'
⑩ S50°19'08"E-17.60'	㉒ N50°19'08"W-87.52'
⑪ N05°19'08"W-19.80'	㉓ S50°19'08"E-47.94'
⑫ N84°40'52"E-23.00'	

THE BASIS OF BEARINGS FOR THIS DRAWING IS THE CALIFORNIA COORDINATE SYSTEM ZONE 6, N.A.D. 83, EPOCH 1991.35 AS DETERMINED LOCALLY BETWEEN THE PORT OF SAN DIEGO'S FIRST ORDER G.P.S. POINT NO. 14 AND FIRST ORDER G.P.S. POINT NO. 15 AS SHOWN ON R.O.S. 16668.

I.E. NORTH 14°49'02" WEST

ALL BEARINGS AND DISTANCES SHOWN HEREIN ARE GRID. TO OBTAIN GROUND DISTANCES MULTIPLY BY 1/100001975.

QUOTED BEARINGS FROM REFERENCE DEEDS/MAPS MAY OR MAY NOT BE IN TERMS OF SAID SYSTEM.

DRAWN JFD

CHECKED *[Signature]*

REVIEWED *[Signature]*

**SAN DIEGO UNIFIED PORT DISTRICT**  
 OPERATOR AGREEMENT  
 WITHIN CORPORATE LIMITS OF SAN DIEGO  
 BAYFRONT PUBLIC PARKING FACILITY  
 ACE PARKING III, LLC

DATE MARCH 17, 2025

SCALE

REF.

DRAWING NO.  
 SHEET 3 OF 3  
**019-050**

DEVSERV\REM\ED19\019-019-050\019-050\_031725.DWG

**EXHIBIT B**

**OPERATOR INCENTIVE FEE/NET INCOME THRESHOLD PER YEAR**

Net Income Threshold										
.75% Escalator/Yr										
	FY '26	FY '27	FY '28	FY '29	FY '30	FY '31	FY '32	FY '33	FY '34	FY '35
Convention Center NI Threshold	\$ 4,495,000	\$4,528,713	\$4,562,678	\$4,596,898	\$4,631,375	\$4,666,110	\$4,701,106	\$4,736,364	\$4,771,887	\$4,807,676
Bayfront NI Threshold	\$ 2,100,000	\$2,115,750	\$2,131,618	\$2,147,605	\$2,163,712	\$2,179,940	\$2,196,290	\$2,212,762	\$2,229,358	\$2,246,078

## **EXHIBIT C**

### **OPERATORS' EMPLOYEES**

#### **Customer Service**

Customer service of the highest standard is expected. Parking Facility operations staff must be neatly dressed, courteous and helpful. All training, uniforms and staff equipment will be covered by the Operator. Any costs by the Operator for verifying customer service levels will be solely borne by the Operator, such as mystery shopping.

**Employees of Operator:** Operator shall recruit, hire, train, promote, discipline, and supervise all the personnel employed in the operation and maintenance of the Garages, including all supervisors, foremen, and other of its employees performing services in and about the Garages. Operator shall determine the number, qualifications, and functions of the parking employees, and provide required staffing as operate both Garages at the highest standards to ensure a high-level experience for guests of the Garages. Operator shall use reasonable care to employ and retain employees who are qualified, competent, trustworthy, and able to communicate effectively with the general public. All employees with cash-handling responsibilities shall be bonded. All employees of the Operator must be made aware that the Garages are an alcohol, drug, weapon and tobacco free work environment. Operator, pursuant to this Agreement, shall determine all labor and personnel policies.

**Parking Manager:** Immediately upon execution of this Agreement, Operator shall appoint a Parking Manager who shall be the senior official of the Operator's employees engaged for the Agreement. The Parking Manager shall be available continuously during the District's normal business hours; and shall be on-call for any emergency during non-business hours. Parking Manager shall provide management of day-to-day operations and will also act as the local point of contact for the District. Parking Manager shall provide reports as needed, respond to complaints, training needs, will track working hours of the parking staff, and supervise all personnel on site. Parking Manager will work closely with the District, Hilton, Marriott and SDCC teams to improve security of the facility and emergency preparedness, as well as plan for major events and coordinate parking as needed for special events.

**Dedicated Employee Service:** No employee of the Operator required by this Agreement will perform any duties whatsoever for the Operator that are associated with any other parking facility outside the scope of this Agreement during the time they are required to be on duty to provide services hereunder.



## **EXHIBIT D**

### **MINIMUM SECURITY SPECIFICATIONS FOR THE CONVENTION CENTER AND BAYFRONT GARAGE FACILITIES**

#### **SECTION I** **GENERAL INFORMATION**

1. **PURPOSE.** The purpose of the security staffing is to prevent property loss through theft, vandalism and fire and to protect the safety of all employees and visitors. In addition, all security personnel shall be customer service ambassadors to assist guests as needed.
2. **MISSIONS.** The following missions are assigned:
  - a. Prevent property and equipment damage in the Property;
  - b. Prevent vehicle damage or theft within the Property;
  - c. Assist all persons within the Property as needed, including employees, guests and vendors;
  - d. Ensure gates and critical areas are locked at the appropriate times;
  - e. Conduct patrols as directed during each shift;
  - f. Take proper action in emergencies and notify designated agencies (Police or Fire) and people on the Emergency Notification List;
  - g. Notify management immediately of damage to the garage, graffiti, vandalism, lights out and other general items needing attention;
  - h. Notify Garage Manager and/or onsite team immediately if an elevator is out of service or if an entrapment occurs; and
  - i. Document all conditions needing maintenance or attention in daily reports.
3. **GENERAL ORDERS**
  - a. Operator must contract with a licensed and insured security company for security guard services to be provided 365 days per year with 24 hours per day coverage of at a minimum of one (1) guard per shift with use of a vehicle, golf cart or other mobility device for on-site security service. Vehicle must be clearly marked as "Security". Guards must have access to Security Guard Supervisor throughout their shift for back up as needed.
  - b. Security Officer's Manual must be in the possession of each security officer at all times and should be referred to frequently for general rules, regulations and established policies and procedures.
  - c. Security Officers will comply with the specific instructions specified in these specifications.



- d. Security Officers will prepare a Daily Activity Report (DAR) to cover the activities during his/her shift. The purpose of the DAR is to provide to the District a written formal report of all activities or duties performed during the shift. The DAR will be delivered to the on-site management office at the end of each shift or other acceptable location as provided.
  - e. Security Officers will prepare an Incident Report concerning any unusual event that occurs during his/her shift. A detailed instruction sheet concerning the preparation of the Incident Report is included with these post orders.
4. **ADDITIONAL SECURITY COVERAGE.** In addition to the minimum-security requirements included in the Operating Agreement, Operator agrees to provide and plan for additional security coverage in the Property to support high demand periods such as major conferences, Comic Con, high attendance events including concerts and Padres games. Operator will notify and provide the new annual contract amount to the District yearly, if the annual contract amount is adjusted. Any additional security coverage over or above the annual contract amount will require advance District approval.

With the District's approval, Operator may replace, modify, support and/or augment the security requirements of this Section I with an expanded technology-based security coverage program that utilizes additional cameras and/or CCTV system in the Property with remote live time video monitoring from a centralized command center and deployment of personnel to the site as needed. Operator's proposed security program will be reviewed for acceptance and approval at the District's reasonable discretion. If such proposal is approved by the District, the changes to this Section I for the security program shall be defined and memorialized with written approval by the District and agreed between the parties, and the modified security program may be considered for the security guard service to be shared between the Bayfront Property and the Convention Center Parking Garage. All such changes to the security program will be outlined for inclusion to this Section I of the Minimum-Security Specifications.

\*Examples of shift options below.

SHIFT	SAT	SUN	MON	TUES	WED	THUR	FRI
DAY	0700-1500	0700-1500	0700-1500	0700-1500	0700-1500	0700-1500	0700-1500
SWING	1500-2300	1500-2300	1500-2300	1500-2300	1500-2300	1500-2300	1500-2300
GRAVEYARD	2300-0700	2300-0700	2300-0700	2300-0700	2300-0700	2300-0700	2300-0700

5. **NORMAL HOURS OF OPERATION.** The security staff will consist of a minimum of one security officer on duty during day shift and swing shift and one during graveyard shift. Operator shall adjust security staffing on an as-needed basis above the minimum requirements to provide sufficient security coverage during major events. Security officer must not leave the premises until the next security officer arrives for duty.
6. **REPORTING FOR DUTY.** Security Officers should retrieve keys and equipment and be in position to call to report on duty status at the beginning of shifts.
7. **CALL-IN PROCEDURE**
  - a. **SWING SHIFT- MONDAY - FRIDAY**
    - (1) Security Officer will telephone the Security Office immediately upon reporting for duty.
    - (2) Starting at 1700, Security Officer will call the Security Office check-in telephone number at the following times:
      - A. Every hour on the hour, during a 10-minute interval (five minutes before the hour to five minutes after the hour);
      - B. Upon completion of shift, just prior to leaving the Property; and
      - C. If the Security Officer relief fails to show up on time.
  - b. **GRAVEYARD SHIFT - MONDAY-FRIDAY.** Security Officer will call the check-in telephone line at the following:
    - (1) Immediately when reporting for work;
    - (2) Every hour on the hour until 6 a.m., during a 10-minute interval (five minutes before the hour to five minutes after the hour);
    - (3) Upon completion of shift, just prior to leaving the Property; and
    - (4) If the Security Officer relief fails to show up on time.
  - c. **WEEKENDS/HOLIDAYS-ALL SHIFTS.** Security Officers **will** call the check-in telephone number at the following:
    - (1) Immediately when reporting for work;
    - (2) Every hour on the hour, during a 10-minute interval (five minutes before the hour to five minutes after the hour);
    - (3) Upon completion of shift, just prior to leaving the Property; and
    - (4) If the Security Officer relief fails to show up on time.

## **SECTION II**

### **SPECIFIC INSTRUCTIONS**

#### **1. SCHEDULE**

##### **a. Day Shift**

- (1) Security officer will monitor the camera and call box system intermittently.
- (2) Security officer will patrol the Property inspecting for safety and security hazards on foot and utilize the security vehicle.
- (3) Additional duties include the monitoring of traffic flow to help direct traffic to open parking spaces and the redirection of traffic when the Property is full.

##### **b. Swing Shift**

- a. Security officer will monitor the camera and call box system intermittently.
- b. Security officer will patrol the Property inspecting for safety and security hazards on foot and utilize the security vehicle.
- c. Additional duties include:
  - A. Security officer will post at the cashier booth near the Main Entrance at 2100;
  - B. Secure the Main Entrance at 2300; and
  - C. Monitor and assist in the directing or redirecting of traffic during high demand parking times/events.

##### **c. Grave Shift**

- a. The security officer will patrol the Property inspecting for safety and security hazards.
- b. Monitor camera and call box system intermittently.
- c. Lock any doors needed to be secured as directed at 2400 or at time directed.
- d. Assist with Manager to Transport deposits to safe.
- e. Open Main Public Entrance at 0600 or at time determined based on parking activity. Note some locations will remain open for public access.

## 2. **SAFETY/SECURITY INSPECTION**

a. **PURPOSE.** The purpose of the Safety/Security inspection is to inspect and record the conditions of the entire Property at the beginning and end of each shift. During the Safety/Security inspection, entries in the **DAR** will be detailed. The following actions will be taken during these inspections:

- a. Identify any broken glass, equipment, graffiti or vandalism.
- b. Ensure no safety or fire hazards exist.
- c. Identify if there are any lights out that need replaced.
- d. Identify if any elevators are not in service.
- e. Identify and request anyone who is not parking in the Property or has business on the property to depart, i.e. people on skateboards, bicycles, scooters, etc. Contact the police, if necessary, if the person will not willingly depart the premises.

3. **DAR ENTRY - DAR** entry is required each time the Safety and Security inspection is conducted. The entry must include:

- a. Time inspection started.
- b. Note any items or equipment which were found broken.
- c. Whether or not lights were found to be inoperable.
- d. Time inspection completed.

4. **CLOCK PATROL -** Each patrol must be recorded on the **DAR**. This record is not only required by the company, but by the insurance companies - accuracy is the key, not speed. The following information will be recorded on the **DAR** each time a clock patrol is conducted:

- a. Time patrol started.
- b. The lockable doors were checked and whether or not found locked.
- c. Whether or not broken glass/windows or other damages were found.
- d. Whether or not lights were found to be inoperable.
- e. Whether or not all elevators are operating.
- f. Time patrol ended.

## **EXHIBIT E**

### **MINIMUM JANITORIAL SPECIFICATIONS THE CONVENTION CENTER AND BAYFRONT GARAGE FACILITIES**

1. Sweep curb-to-curb and corner-to-corner, the entire Property a minimum of four times per week (check event schedule), utilizing a broom sweeper or a scrubber/sweeper. No air blowing inside the Property is permitted. The areas to be cleaned will be discussed with management weekly.
2. Steam clean, pressure wash and de-grease the following areas of the Property, using the zero-discharge method and recycling the waste products for proper disposal on a **weekly** basis (per week) and additional times as needed due to major events.
  - a. The entry and exit ways including the driveways and drive isles
  - b. The ticket booths areas
  - c. All parking stalls (no less than quarterly basis)
  - d. All elevator lobbies
  - e. All stairwells and walkways
  - f. Sidewalk areas on the 1st and 3<sup>rd</sup> level at Bayfront Garage
  - g. All ramps to and from the different parking levels
  - h. All walls and ceiling tubes on a rotating basis
  - i. All areas around trash receptacles, including cleaning the trash receptacle.
  - j. All areas surrounding the Property office and break areas.
3. Provide at least five days per week and five to six hours each day using two machines (one high performance scrubber and one high pressure steam cleaner) for the cleaning of all parking areas with the water recycling equipment, to be located on site 24 hours per day.
4. Stairwells to be steam-cleaned and de-greased with zero discharge method and recycling of waste product, at a **minimum weekly**. Additional times as needed after major events. In the case of human or animal waste (urine or feces) found in stairwells, steam-cleaning is required.
5. Dispose/remove all oil, antifreeze spills immediately with proper methods.

### **List of Duties**

1. **Daily:**

- a. Pick-up trash and debris from the parking areas and common areas a minimum of **four times per day**. Frequency for cleaning and trash removal should be based on events and parking activity in the garage.
- b. Change the trash liners and wipe the lids daily or more frequently due to heavy use. Repaint or replace lids that are damaged or chipped as needed.
- c. Pick-up trash and debris from the stairwells a minimum of **four times daily**.
- d. Clean and wipe the stairwell handrails daily.
- e. Clean and sift the sand in the ash urns, if applicable. Change the sand if necessary or at least one time per month if applicable.
- f. Clean and wipe the elevator lobbies and floors a minimum of four times daily. Including cleaning doors and surfaces of each elevator exterior and interior (including buttons & handrails) with the appropriate cleaning product, i.e., stainless-steel cleaner for doors and stainless surfaces and glass cleaner on interior glass. Clean and mop elevator flooring. Report any lights missing or not working in the elevators, graffiti, or any damage found. Elevators must have high priority daily cleaning.
- g. Clean and wipe the parking equipment, card readers, ticket spitters, and gate arms.
- h. Clean and wipe the ticket booths and surrounding areas.
- i. Clean Property office.
- j. Clean Property restroom, if applicable.
- k. Clean Property breakrooms, if applicable.
- l. Remove any graffiti from all surfaces immediately and report any problem areas to the Property office for possible steam cleaning, or pressure washing or painting needed due to graffiti. Graffiti must be removed as soon as possible after it is found to prevent attracting more graffiti. Paint all surfaces if graffiti cannot be removed with cleaning products and paint entire area around graffiti area so that the painted area is uniform. Paint used should match the current paint color of the area. Paint should be kept in stock for this purpose.
- m. Report any spills not removable by normal means, oil spills, antifreeze, or acid spills to the Property office immediately.



- n. Report any sweeping or pressure washing problems to the Parking office.

**2. Weekly:**

- a. Clean and wipe all directional signs.
- b. Clean and remove all spider webs, dust and dirt from columns, lights, cameras, crossbeams, and corners.
- c. Clean and wipe all doors and frames.
- d. Clean and wipe all fire extinguisher cabinets. Report any missing fire extinguishers or cabinet damage immediately.
- e. Clean and wipe all overhead signs and low walls and pipes.
- f. Clean and wipe the dust or bird droppings from wall edges and ledges in structure.
- g. Clean and wipe mirrors in the Property.
- h. Remove and clean all areas that have bird or pest droppings and report locations to the Parking Manager.
- i. Include bird and pest control procedures in all areas that birds are seen nesting or rodents are found.

## Certificate Of Completion

Envelope Id: 7A0989AC-39C1-4A2C-910F-45DE22678863

Status: Completed

Subject: Please Sign: Parking Operating Agreement with ACE Parking III, LLC for Hilton Bayfront

Source Envelope:

Document Pages: 33

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 1

Yvon Uribe

AutoNav: Enabled

3165 Pacific Hwy.

Envelopeld Stamping: Enabled

San Diego, CA 92101

Time Zone: (UTC-08:00) Pacific Time (US &amp; Canada)

yuribe@portofsandiego.org

IP Address: 207.215.153.162

## Record Tracking

Status: Original

Holder: Yvon Uribe

Location: DocuSign

4/4/2025 8:55:23 AM

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Pool: Carahsoft OBO Port of San Diego

Location: Docusign

## Signer Events

### Signature

### Timestamp

John Baumgardner

John\_Baumgardner@aceparking.com

CEO

Security Level: Email, Account Authentication  
(None)



Sent: 4/4/2025 8:58:47 AM

Viewed: 4/4/2025 2:09:28 PM

Signed: 4/4/2025 2:15:04 PM

Signature Adoption: Pre-selected Style

Using IP Address: 65.140.184.95

## Electronic Record and Signature Disclosure:

Accepted: 4/4/2025 2:09:28 PM

ID: 37453b73-bd96-47ca-9d91-603ea726089a

## In Person Signer Events

### Signature

### Timestamp

## Editor Delivery Events

### Status

### Timestamp

## Agent Delivery Events

### Status

### Timestamp

## Intermediary Delivery Events

### Status

### Timestamp

## Certified Delivery Events

### Status

### Timestamp

## Carbon Copy Events

### Status

### Timestamp

Brad Elsass

belsass@aceparking.com

Director of Operations

Security Level: Email, Account Authentication  
(None)

## Electronic Record and Signature Disclosure:

Not Offered via Docusign



Sent: 4/4/2025 2:15:05 PM

Brian Gansert

bgansert@aceparking.com

President of Operations

Security Level: Email, Account Authentication  
(None)

## Electronic Record and Signature Disclosure:

Not Offered via Docusign



Sent: 4/4/2025 2:15:06 PM

Carbon Copy Events	Status	Timestamp
Keith Jones kjones@aceparking.com Owner Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/4/2025 2:15:06 PM
Ken Wallis kwallis@portofsandiego.org Director Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 8/20/2024 11:06:09 AM ID: be736798-710d-441b-bd80-8a8d784d37b0	COPIED	Sent: 4/4/2025 2:15:07 PM
Kristine Love klove@portofsandiego.org Dept. Manager Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/4/2025 2:15:07 PM
Liza Anderson landerso@portofsandiego.org Asset Manager Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/4/2025 2:15:08 PM Viewed: 4/4/2025 2:17:21 PM

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/4/2025 8:58:47 AM
Certified Delivered	Security Checked	4/4/2025 2:09:28 PM
Signing Complete	Security Checked	4/4/2025 2:15:04 PM
Completed	Security Checked	4/4/2025 2:15:08 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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