APPENDIX A
Draft Scope of Services

Table of Contents

I. DEFINITIONS 1

II. GENERAL SERVICE REQUIREMENTS 8

A. City Agencies Authorized to Request Tows 8

B. Hours of Service 8

C. Customer Payment of Fee 8

D. Administrative Staffing 8

E. Tow Firm and Tow Operator Staffing 9

1. Tow Firm Requirements 9

3. Uniforms (Tow Operators) 10

F. Customer Service 10

1. General Requirements 10

2. Employee Training 10

3. Uniforms (Contractor staff) 11

4. Electronic Customer Queue Management 11

5. Customer Calls 11

6. Window Staff 12

7. Other Required Customer Service Staffing 13

8. Dissemination of Customer Information Requirements 13

9. Customer Service Website 14

10. Wi-Fi Access 15

11. Guest Parking 15

12. Commitments to City Support 15

G. Security Cameras, Digital Photos, and Audio Recordings 15

1. Camera Install Requirements 15

2. Digital Photo Recording 16

3. Audio Recording Requirements 16

H. Dispatching Requirements and Equipment Requirements 16

1. Dispatch 24/7 Help Line 16

2. GPS Equipment 17

3. General Equipment 17

III. TOWING REQUIREMENTS, TOW TYPES, AND REQUIRED RESPONSE TIMES 19

A. Routine Towing Requests 19

B. Expedited Tows 20
C. Commute, Special Event and "No-Show" Tows 20
D. Drop Tows 21
E. City-Owned Vehicle Tows 21
F. Relocation Tows 21
G. Tows Requested Outside the Boundaries of the City and County of San Francisco 22
H. Tow Reporting Requirements 22
IV. GENERAL VEHICLE INTAKE PROCEDURES 22
A. Tow Reporting Requirements 22
B. Entry Into a Towed Vehicle 22
C. Personal Property 23
D. Procedures for Vehicles Impounded by the SFPD 23
E. Vehicle Release Procedures 25
1. Vehicle Release Process 25
2. Personal Property Releases 26
3. Parking Citation Payments 26
4. Improper Release of Vehicles 27
V. LIEN SALE (AUCTION) REQUIREMENTS 27
A. Valuation of Vehicles 27
B. Lien Assignment 28
C. Notices to Owners 28
D. Requirements for Online Auctions 29
E. Requirements for Onsite Auctions 29
F. Disposal of Unsold Vehicles 30
G. Records of Vehicle Auction Purchasers 30
H. Auction Violations 30
VI. CLAIMS AND COMPLAINTS 31
A. Monetary Claims Procedure 31
B. Status Reports of Monetary Claims 32
C. Deficiency Claims 32
D. Service Complaint Procedure 33
E. Status Reports of Service Complaints 33
VII. TOWED VEHICLE MANAGEMENT SOFTWARE (TVMS) 34
A. Data Availability 34

B. Communications 34
C. User Identification and Permissions 35
D. Electronic Storing and Retrieval of Tow Inventory Slips 35
E. Electronic Storing and Retrieval of Non-Program Waiver/Reimbursement Forms 36
F. Electronic Form 36
G. Vehicle Inventory 36
H. Customer Invoices 36
I. TVMS Integration with SFPD Dispatch System 37
J. TVMS Integration with Handheld Citation Issuance Devices for Tow Requests 37
VIII. STORAGE AND CUSTOMER SERVICE FACILITIES 38
A. Facilities Provided 38
B. Facility Relocation or Consolidation 38
C. Vehicle Dismantling/Crushing Prohibition 38
D. Maintenance of Facilities 38
E. Primary Storage Facility 38
1. Components 38
2. Time Constraints 38
3. Sales Prohibition 39
4. Customer Service Center 39
F. Secondary Storage Facility (SSF) 39
1. Components 39
3. SFPD Space Requirements 39
4. SFFD Training 40
5. SFFD Space Requirements 40
G. Additional Requirements for Both Facilities 40
H. Reconfiguring SFPD Areas 41
I. Right to Inspect 41
IX. REPORTING 41
A. Required Reports 41
B. On-Demand Reports 41
C. Report Requests from the Public 41
D. Required Reports List 41
E. City Controller's Audits 43
X. RECORDS RETENTION 44

XI. OPERATIONS MANUAL 44
A. Submission Requirements 44
B. Maintenance of Operations Plan 44
C. Plan Components 44
XII. FEES, DEPOSITS, AND HANDLING OF MONIES 45
A. Contractor Fees to the SFMTA 45
B. Fees Collected on behalf of the SFMTA 45
1. Administrative Towing and Storage Fees 45
2. Citation and Boot Fees 45
3. SFPD Traffic Offender's Fee 46
C. Deposit Requirements 46
D. Payment Methods 46
1. Cash 46
2. Debit and Credit Cards 47
3. Checks 47
E. Record Keeping 47
F. Payment Shortages 48
G. General SFPD and SFMTA Waivers 48
H. Low-Income Reductions/Waivers 50

Introduction

This Scope of Services sets forth the full range of services (the "Services") that the Contractor is required to perform under this Agreement. The Contractor shall provide all labor, equipment, materials, and expertise necessary to perform the Services in accordance with the standards and requirements set forth herein.

Certain performance requirements identified in this Appendix A are subject to liquidated damages in the event of Contractor noncompliance. These requirements are marked with the designation "LD" and correspond to the applicable liquidated damages amounts listed in Appendix A-1.

I. DEFINITIONS

The following terms, as used in this Scope of Services, shall have the meanings set forth below. Defined terms may be capitalized for ease of reference.

Administrative Hold	A hold placed on a vehicle impounded by SFPD whereby vehicle may be released only upon written authorization by the SFPD. Examples include suspended license, false tags, and expired registration.
Auction or Lien Sale	Online and in-person sale of vehicles not retrieved by owners, that have gone through the Lien process so that vehicle title is transferred to the City. Auctions are held every other week (or less frequently as approved by the SFMTA) and attended by members of the public, licensed dismantlers, and licensed dealers.
Agreement or Contract	The Agreement between the City and County of San Francisco, and Contractor, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements that are specifically incorporated into the Agreement by reference as provided herein or in the Contract document.
Central Dispatch	The location from which Contractor's staff assigns tow requests to Tow Operators.
Citation	A notice of violation of the San Francisco Transportation Code, California Vehicle Code, or other applicable law, issued to a person or a vehicle by a Parking Control Officer employed by SFMTA Enforcement or a police officer employed by SFPD.
Citation Management System	The SFMTA's citation processing management system (eTIMS) or any successor system(s) used by the SFMTA for tracking tow requests and Citations.

City	The City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency (SFMTA).
Close Family Member	Spouse, domestic partner, parent or child of the party referenced.
Commute Tows	Tows that are performed from commuter lanes to remove illegally-parked vehicles from traffic lanes during Peak Tow Hours.
Complaint (or Service Complaint)	Any issue with service provided by Contractor within the services of this Agreement that is communicated to Contractor or the City by a Customer, which is NOT a Claim. This does not include issues reported to Contractor by Customers that Contractor is able to resolve to the satisfaction of the Customer through internal issue resolution procedures.
Contractor	[NTD: Insert vendor selected to manage the Agreement for the City].
Contract Administrator	Designated SFMTA employee charged with oversight of the provisions of the Agreement.
Customer	A person whose vehicle has been towed or a person who requests assistance that Contractor is obligated to provide under the terms of the Agreement.
Department of Public Health of San Francisco (DPH)	City agency authorized to request tows for the purpose of abating a nuisance.
Deficiency Claim	A Claim filed against a registered vehicle owner equal to towing and storage charges, less any amount received from the sale of the vehicle, and which is subject to all rights and limitations set forth in California Civil Code § 3068.2 or any successor statute that creates, defines, and limits City's right to such claim.
Delinquent Citation	A Citation that was unpaid past the original due date for payment, upon which penalties for overdue payment have accrued, and which is not scheduled for administrative review or hearing by SFMTA.
Dropped Tow	A vehicle for which a tow is initiated, then released to the vehicle owner or operator at the location at which the tow was initiated, upon the request of a Parking Control Officer or police officer.
Effective Date	Date upon which the City's Controller certifies the availability of funds for this Agreement as provided in Section 3.1 of the Master Agreement.

Electronic Form	A computerized form created by the TVMS system that enables the User to input information for processing, and, if applicable, results in a printable Adobe .PDF or equivalent document.
Enforcement	Division of the SFMTA that cites the public for parking and transit violations, and assists the SFPD in traffic control.
Expedited Tow	A tow request initiated by the Tow Desk or the SFPD that is necessary to ensure the safety of the PCO, police officer, or public, or to eliminate an immediate hazard.
Gross Vehicle Weight Rating (GVWR)	The weight of a towed vehicle. Type — Gross vehicle weight rating Light Duty — 0-10,000 lb. GVWR Medium Duty — 10,001 to 26,000 lb. GVWR Heavy Duty — 26,001 lb. and over GVWR
Heavy Duty Tow	Vehicle towed that weights more than 26,000 lbs.
Interactive Voice Response (IVR) System	A telephone system that enables the Customer to access towing data to determine if their vehicle has been towed, and if so how to retrieve the vehicle.
Investigative Hold	A Police Hold imposed on an evidentiary vehicle for the purpose of criminal investigation, whereby vehicle may be released only upon electronic release within the TVMS or written authorization by the SFPD's Traffic Administration Unit. Examples include arrests, No ID, and investigation of crime.
Lien 1	A low-value vehicle, including a vehicle valued at $500 or less, in accordance with Vehicle Code § 22670 (requiring valuation of any vehicle towed by a public agency) and § 22851.2 (regarding vehicles valued at an amount not exceeding $500 and not towed for being abandoned) or a vehicle valued at $500 or less pursuant to § 22851.3 (regarding vehicles towed for being abandoned) and §§ 22851.6 - 22851.10 (regarding disposal procedures for low-value vehicles). If California law is amended subsequent to the Effective Date of this Agreement to change the dollar amounts that trigger requirements for low-value vehicles, this Agreement shall incorporate such amendments by reference as though fully set forth herein for the purpose of defining dollar-value thresholds and legally required procedures for handling and disposal of low-value vehicles.

Lien 2	A medium-value vehicle valued at more than $500 and up to and including $4,000 in accordance with Vehicle Code § 22670 (requiring valuation of any vehicle towed by a public agency), or over $500 and up to and including $4,000 for the purpose of Vehicle Code § 22851.3 (regarding vehicles towed for being abandoned), and California Civil Code §§ 3067-3075 (setting forth legally required procedures for Lien Sales of towed vehicles). If California law is amended subsequent to the Effective Date of this Agreement to change the dollar amounts which trigger requirements for medium-value vehicles, this Agreement shall incorporate such amendments by reference as though fully set forth herein for the purpose of defining dollar-value thresholds and legally required procedures for handling and disposal of medium-value vehicles.
Lien 3	A high-value vehicle valued at more than $4,000, in accordance with Vehicle Code § 22670, requiring valuation of any vehicle towed by a public agency, and California Civil Code Sections 3067-3075, setting forth required procedures for Lien Sales of vehicles. If California Law amended subsequent to the Effective Date to change the dollar amounts which trigger requirements for high-value vehicles, this Agreement shall incorporate such amendments by reference as though fully set forth herein for the purpose of defining dollar-value thresholds and legally required procedures for handling and disposal of high-value vehicles.
Lien Category	The classification of a vehicle as a Lien 1, Lien 2, or Lien 3 Vehicle in accordance with its appraised value.
Lien Sales	The process of selling or disposing vehicles that are not retrieved by their owners in accordance with the Vehicle Code or other applicable law.
Light Duty Tow	Vehicle that weighs up to 10,000 lbs.
Medium Duty Tow	Vehicle that weighs between 10,001 and 26,000 lbs.
Monetary Claim (Claim)	A request for compensation for personal injury, loss from or damage to towed vehicle and/or personal property.
No ID	Vehicles are towed because there is no visible Vehicle Identification Number. Subject to examination by the SFPD.
Tow Truck Staging Fee	Compensation for equipment set up and tow truck staging in excess of 15 minutes for scheduled sweeps.
Non-Peak Tow Hours	Monday through Friday, 7:00 p.m. to 7:00 a.m., and Saturday, Sunday, and City holidays 9:00 a.m. to 4:00 p.m.

Notice of Lien Sale	Formal notification mailed to Customers whose vehicles have not been retrieved and are now subject to lien sale.
Notice of Storage	Formal notification mailed to Customers whose vehicles have been towed, as required by California Vehicle Code Section 22651.07.
Notice to Proceed Date	Date that Contractor assumes tow operations.
Operations Manager (SFMTA)	The project manager assigned to the Contract for oversight of Contractor's daily operations by the SFMTA, or his or her designated agent.
Parking Control Officer (PCO)	Enforcement employee that cites for parking and transit violations and assists in mitigating traffic conditions.
Peak Service Hours	Monday through Friday, 7:00 a.m. to 8:00 p.m., excluding City holidays.
Peak Tow Hours	Commute hours, when traffic is likely to be heavy: Monday – Friday (excluding City holidays): 7 a.m. to 9 a.m. and 4 p.m. to 7 p.m.
Personal Property Release	A document issued by Contractor that allows a Customer to retrieve personal belongings from a towed vehicle under supervision of Contractor personnel.
Platform Provider	Firm hired by Contractor to provide online vehicle auction services.
Police Hold	A hold, either an Administrative Hold or an Investigative Hold, placed on a vehicle by the SFPD in writing which requires a vehicle to be processed in accordance with the Police Hold procedures specified in this Agreement.
Primary Customer Service Center	Portion of the Primary Storage Facility where Contractor's staff serves Customers seeking to retrieve their vehicles or obtain other assistance that is covered under the Agreement.
Primary Storage Facility (PSF)	Facility housing the primary Customer Service Center, where towed vehicles are deposited immediately after tow and stored until they are either claimed by the Customer within 72 hours, or transferred to the Secondary Storage Facility.
Proper Text	Sentence structure where the first letter of each word is capitalized, while the remaining letters are lowercase.
Protected Personal Information (PPI)	Any information defined as "Personal Information" under the City Privacy First Policy, San Francisco Charter section 16.130, paragraph (d). Also known as Personally Identifying Information (PII).

Records	The documents Contractor is required to create and maintain under this Agreement, as described in Section X - "Record Retention" of this Appendix A to the Agreement.
San Francisco Fire Department (SFFD)	The agency of the City that provides fire prevention and fire suppression services as well as other rescue services.
San Francisco Homelessness and Supportive Housing Agency (HSH)	The City agency responsible for developing and implementing a coordinated system to address homelessness and provide supportive housing as a permanent exit strategy. It aims to make homelessness rare, brief, and one-time through various programs and services.
San Francisco Human Services Agency (HSA)	The City agency that provides a range of services to individuals, families, and communities in San Francisco, including food, healthcare, financial assistance, employment, child care, and protective services.
San Francisco Municipal Transportation Agency (SFMTA)	The agency of the City with authority over all surface transportation in San Francisco.
San Francisco Police Department (SFPD)	San Francisco's law enforcement agency that is authorized to request vehicle tows.
Scope of Services	Appendix A of the RFI.
Secondary Customer Service Center	Located at the SSF, primarily serves Customers that attend bi-weekly Auctions; or Customers who cannot retrieve their vehicles from the PSF.
Secondary Storage Facility (SSF)	Facility used by Contractor to store vehicles beginning 72 hours from the date of tow and to conduct live auctions of Lien Sale vehicles.
Services	The work performed by Contractor under this Agreement as specifically described in the "Scope of Services" attached as Appendix A including all Services, labor, supervision, materials, equipment, actions, and other requirements to be performed and furnished by Contractor under this Agreement.
Special Event Tows	Tows that are arranged in advance by an authorized City agency and require three or more tow trucks to be assigned to the detail, including tows for vehicles in violation of Veh. Code section 22651 (m) and SF Transportation Code Section 3.4(c). Examples are Bay to Breakers, POTUS visits, expired registration and holidays where large crowds gather.

Sweeps (or Tow Sweeps)	Clearing of vehicles parked illegally-parked prior to a scheduled (e.g. marathon race) or unscheduled (e.g. high-security dignitary visit) event.
Tow Desk	The location of SFMTA Enforcement staff that receives tow requests from the Enforcement Division and the SFPD.
Tow Equipment	Tow Operator trucks and all computer systems, communications devices, hand tools, electric tools, and towing hardware, whether expressly listed in this Agreement that are necessary to perform towing Services to the standards of the towing industry and as set forth in this Agreement.
Tow Firm	Business entity hired by Contractor, and approved by the SFMTA, to provide personnel and trucks to tow vehicles as requested by an authorized agency under this Agreement.
Tow Operator	Person driving a tow vehicle and conducting the tow.
Tow Firm Fee	Fee paid by Contractor to Tow Firms for each vehicle towed.
Tow Inventory Slip	Form used to document towed vehicle information, including physical condition and towing authority.
Tow Operations Manager	Designated SFMTA employee charged with oversight of Contractor's daily operations.
Towed Vehicle Management System (TVMS)	Software system that supports Contractor's dispatching, inventory, audit, and customer service responsibilities for the term of the Agreement.
Traffic Offender Fee	A $194 administrative fee for all vehicles towed due to an arrest pursuant to Sections 22651(h), 22651(p), and 22655.5 of the Vehicle Code. This fee is separate from any towing and storage fees that will be charged by the City and County of San Francisco Impound.
User	Any individual authorized by the SFMTA to access the TVMS or Verification Database in accordance with this Agreement
UTID	SFPD vehicle classification that means no identification (e.g., VIN) could be found.
Vehicle Identification Number (VIN)	The distinguishing 17-digit number or other mark used for the purpose of uniquely identifying a vehicle or vehicle part, as defined in Vehicle Code § 671.
Verification Database	Certain HSA-owned database containing Protected Personal Information and other information about clients served by HSA and/or HSH.

II. GENERAL SERVICE REQUIREMENTS

A. City Agencies Authorized to Request Tows

Currently, the City agencies designated to authorize towing from City streets, public property, and private property are the SFMTA and SFPD. The SFMTA, however, reserves the right to add additional City agencies and jurisdictions to those currently listed. All towing requests (except for Commute Tows, Special Event Tows, and Sweeps that are requested in the field) will be called in to the Tow Desk from designated City.

Notwithstanding any other provision of this [Scope of Services], Contractor shall comply with all applicable local, state, and federal laws and regulations relevant to the performance of its duties under this Agreement, including but not limited to those governing the removal, storage, release, and Lien Sale of vehicles. The Contractor shall ensure its employees and subcontractors are informed of the requirements of all such laws, in their current form and as they may be amended during the term of this Agreement.

B. Hours of Service

The Contractor shall operate and respond to all tow requests and process intakes and releases of towed vehicles 24 hours per day, 365 days per year in accordance with the standards specified in this Agreement. The SFMTA reserves the right, at its sole discretion and with written notice to the Contractor, to adjust the hours of service as needed. Any impacts to staffing may result in modifications to Contractor's monthly management fee.

C. Customer Payment of Fee

The Contractor shall adhere to all requirements regarding payment processing as directed by the SFMTA and the City Treasurer's Office. See Section XII of this Appendix A for details.

D. Administrative Staffing

1. The Contractor must provide staffing that is adequate to meet service and performance requirements as outline in this Appendix A.
2. The Contractor shall designate an emergency contact and one backup contact that shall be available 24/7, within 15 minutes of an initial phone call from the SFMTA. Contractor shall update contact information as necessary to stay current.
3. The Contractor shall provide SFMTA with a list of all executive management (i.e., CEO, CFO, CIO, VPs, Operations Manage, or equivalents) that includes their physical location (PSF or SSF), email and phone contact information, and shall also list key supervisory personnel along with their contact information during working hours. The Contractor shall review and update this list no less than every six months. Contractor shall send any updated list to the SFMTA within 15 days of the update.
4. The Contractor shall obtain the SFMTA's written approval before making any changes or substitutions to executive management or facilities management personnel. The SFMTA may request a change and reserves the right to reject any

substitution. The Contractor must notify the SFMTA of any terminations or resignations by executive management or facilities management within five days of the occurrence.

E. Tow Firm and Tow Operator Staffing

1. Tow Firm Requirements

a. Subcontracting

Contractor may subcontract with one or more Tow Firms to provide towing services in accordance with this Agreement. Contractor shall submit to the SFMTA a list of all such Tow Firms *within 30 days of the Notice to Proceed Date*. Contractor must notify the SFMTA in writing of any changes to this list and provide an updated list within 30 days of contract execution with a new Tow Firm**. LD1**

b. Vehicle Storage

All tow vehicles used to provide towing services shall bear a sign on both tow truck doors stating the City and County of San Francisco Impound, the Tow Operator's trade name, and Contractor's address and telephone number, all in characters at least 1½ inches.

c. Tow Firm Subcontracting Agreements

i. *Contractor shall send electronic copies of all signed subcontracts it enters into with Tow Fir*ms *within two business days of the SFMTA's request*; Contractor *shall also include current documentation of required licenses and proof of insurance* for each Tow Firm and licenses for operators used by each Tow Firm. **LD2**

ii. Contractor shall keep the SFMTA informed and up-to-date about all Tow Firms used in the performance of this Agreement. This includes notifying the SFMTA of any new subcontracts with Tow Firms, as well as the addition, release, or renaming of any Tow Firm. The SFMTA reserves the right to veto any proposed new Tow Firm at its sole discretion.

d. Licenses and Permits

i. Contractor shall cause Tow Firms to have and maintain at all times valid towing permits and valid driver's licenses for their Tow Operators.

ii. Beginning on the first anniversary of the Notice to Proceed Date, Contractor *shall submit monthly reports to confirm that all Tow Firms have current, valid licenses and permits* and shall submit this report to SFMTA Operations Manager within one week of completion and if requested, submit to the SFPD**. LD3**

iii. Contractor shall be solely responsible for all claims arising from its the failure, or the failure of any Tow Firm, to maintain current and valid permits and licenses as required by applicable law.

2. Tow Firm and Tow Operator Staffing

   a. The procedures and regulations set forth in Articles 30 and 30.1 of the San Francisco Police Code shall apply to all Tow Operators and Tow Firms that perform services under this Agreement.

   b. Contractor shall require that all Tow Firms and Tow Operators that perform services under this Agreement have a valid tow permit issued by the SFPD.

3. Uniforms (Tow Operators)

   Contractor shall cause all Tow Operators shall maintain a neat appearance and conduct themselves courteously when interacting with the public.

   a. All Tow Operators shall wear visible photo identification badges at all times when on duty. The design of the phot identification badges is subject to prior approval by the City.

   b. All Tow Operators shall wear a standard-colored uniform shirt at all times while on duty. The shirts shall display the employee's name on either the right or left side and the Contractor's or subcontractor's company name on the opposite side of the shirt and/or jacket. All uniform designs are subject to approval by the SFMTA.

F. Customer Service

1. General Requirements

   a. Contractor shall interact with Customers for the purpose of retrieving towed vehicles in person, by phone using an interactive telephone system, live operators, and via website or other methods mutually agreed upon by SFMTA and Contractor.

   b. Contractor's personnel answering such phones shall be courteous, professional, and provide complete information regarding the location of the vehicle, the method of securing its release, directions to the location from which to affect its release, documentation required, charges to be assessed (including required payment of parking Citations if five or more are delinquent) and terms of payment.

   c. Contractor shall also provide Customers with accurate and timely information regarding their rights with respect to the towed vehicle under this Agreement and all applicable federal, state, and local laws and regulations.

   d. All materials created by Contractor that are intended for use by Customers, whether in written, electronic, or audio format, shall be made available in English, Spanish, Tagalog, and Simple Chinese.

2. Employee Training

   a. Contractor shall, for new employees, schedule 16 hours of professional job training specializing in customer service that must be approved in advance of the training by the SFMTA. Training must take place *within the first year after*

the Notice to Proceed Date and must include all employees that have direct interaction with the public, including Tow Operators. Contractor shall require each employee to obtain a certificate of completion of this training and shall submit the certificates to the SFMTA within 30 days of the first anniversary of the Notice to Proceed Date. **LD4**

b. Contractor shall require all employees described above to take a minimum of four hours of additional professional customer service "refresher" training annually for the remainer of the Contract term. Contractor shall require certificates of completion for this training and shall submit them annually to the SFMTA *within 30 days of each subsequent anniversary of the Notice to Proceed Date*. **LD5**

c. All training costs are the sole responsibility of Contractor.

3. Uniforms (Contractor staff)

a. All personnel and subcontractor personnel shall be neat in appearance and courteous to the public.

b. All Customer Service staff wear at all times a standard colored shirt and/or jacket with the name of the employee affixed to right or left side of the shirt and/or jacket. Contractor or subcontractor's company name shall be displayed on the opposite side of the shirt and/or jacket. All uniforms are subject to approval by the SFMTA

c. All Customer Service staff must wear at all times a standard colored shirt, sweater, or jacket with the name of Contractor affixed to the right or left of the front of the apparel. The name of Contractor must always be visible.

d. All warehouse, lot, and security staff shall wear high-visibility safety apparel to improve their visibility. Contractor's name shall be affixed to the right or left of the front of the apparel and must always be visible.

4. Electronic Customer Queue Management

Contractor shall furnish and install, subject to approval of the SFMTA, a "Take a Number" or other similar queueing system with an electronic message board and audio announcement to be used in the Primary Storage Facility's Customer Service Lobby. The queueing system shall communicate the next steps for customers once they are called to the service window, including any required procedures and documentation. Contractor shall install the queueing system in a highly visible area with clear wayfinding signage for customers to easily find and use the system. The queueing system shall be in place *by the Notice to Proceed Date* **LD6**

5. Customer Calls

a. Telephone Operators

i. Contractor shall provide a dedicated phone line and ensure live telephone operators are available, 24 hours a day, seven days a week, to respond to calls from the public about towed vehicles.

ii. Contractor shall ensure that within each calendar month at least *95% of Customers reach a live operator within three minutes of request; and that 98% of Customers reach an operator within five minutes of request*, within a calendar month. **LD7**

b. Interactive Voice Response (IVR) System

i. Contractor shall establish and maintain one customer service phone line with an IVR that the public may call for information regarding towed vehicles *by the Notice to Proceed Date.* This phone line shall be independent of the phone line used for requests for Dispatch Tows. **LD8**

ii. *Contractor's IVR shall answer all calls within 30 seconds.* **LD9**

iii. Contractor's IVR shall indicate how many callers are in the queue ahead of each caller to reach a live operator, i.e., you are third in line. The IVR shall handle all calls until the next available operator is available. Contractor staff shall not be expected to answer calls when on another call or assisting other customers. Contractor's telephone system shall be set up to automatically roll to the next available operator.

iv. Contractor's IVR shall have a menu selection that offers basic information to the public in English, Spanish, Tagalog, and Simple Chinese and any additional languages that may, in the future, be required by City regulations. The IVR shall also have the ability to queue calls after the caller requests a live operator and have an alarm system to alert office staff if a call has been on hold for more than the approved time. Contractor shall periodically check functionality and resolve performance issues with the IVR.

c. Call Volume Reporting

Contractor shall provide a monthly summary report with the following elements:

i. The total number of calls per hour,

ii. Total number of calls each day,

iii. The number of calls disconnected by the Customer requesting to speak with an agent before the call is answered.

iv. Summary Chart showing the following:

	< 3 minutes	3-5 minutes	> than 5 minutes
Number of calls			
Percentage of calls			
Average wait time			
Average call (talk) time			

v. Detailed call listing showing call status, wait time, and call duration.

6. Window Staff

a. During Peak Service Hours, Contractor shall provide enough trained staff working at the Customer Service Center (CSC) to open up to six service windows, in the CSC lobby, as needed, based on Customer demand.

b. On a monthly basis, Contractor shall submit to City a Window-Staffing Report that includes:

   i. Total number of CSC window staff what worked during the preceding month;

   ii. Average customer wait times for each CSC windows staff position.

c. For any calendar month, the average wait time for Customers who wait for window service in the CSC lobby *shall not exceed seven minutes* within any calendar month. **LD10**

d. Contractor shall ensure all window staff are available to answer telephone calls from the public when not attending to Customers in person.

e. Contractor shall ensure all Customer transactions that involve waivers, vouchers, or adjustments are reviewed and validated by the customer service manager and documented in the Towed Vehicle Management System (TVMS).

7. Other Required Customer Service Staffing

   a. Contractor *shall have available at least one customer service manager* (or supervisor of sufficient authority and training) to monitor Customer service, answer Customer questions and resolve Customer issues onsite at all times. **LD11**

   b. The Customer Service Manager shall be available in addition to the required window and other management staff and shall not be included in the number of trained staff present at the CSC.

8. Dissemination of Customer Information Requirements

   a. Facilities

      At Contractor's expense, documents containing the following information shall be printed in at least 12-point font type and shall be posted by Contractor at each storage Facility in a conspicuous location easily visible to the public. The signage, including languages required, wording, size of letters, and methods of display shall be approved by the SFMTA in advance of posting and may be adjusted according to City or State regulations:

      i. The schedule of all City-approved towing, storage and additional charges as specified in this RFP.

      ii. An explanation of the conditions under which, and the procedure by which, a tow hearing may be requested from the SFMTA.

      iii. Notices informing the public of their Vehicle impound rights and obligations pursuant to California Vehicle Code Section 22852.

iv. Towing Fees and Access Notice pursuant to California Vehicle Code Section 22651.07.

v. Procedure for filing a Claim for damages incurred to the vehicle or contents thereof as a result of the tow or storage of the vehicle.

vi. Notice that a complete copy of the towing Agreement is available for review onsite, can be downloaded from Contractor's website, or may be obtained at a cost of $0.10 per page.

vii. An explanation of the procedure by which all unclaimed vehicles are sold at Auction, including the location of such Auctions and publications in which such Auctions are advertised and stating that all in attendance at such Auction shall have an equal opportunity to bid.

viii. Other notices as requested by the SFMTA.

b. Customer Invoices

All Customer invoices shall have the following printed on them:

i. An itemized listing of all applicable fees, fines, and other charges.

ii. All payments applied to the balance due.

iii. All waivers or reductions applied to the balance due.

iv. Instructions on how to contest a tow and request a hearing; instructions on how to obtain reimbursement for unhoused, low-income, or first-time tow; and, any other information as requested by SFMTA.

v. Inclusion of the following verbiage: "Upon request, you are entitled to receive a copy of the Towing Fees and Access Notice."

9. Customer Service Website

a. *As of the Notice to Proceed Date,* **LD12** Contractor shall create and maintain a website that provides general information to the Customer as follows:

i. The status and location of a specific towed vehicle,

ii. The total cost (itemized, correctly calculated, and updated in real time), of retrieving the towed vehicle, including Citations and/or booting fees where applicable, plus an estimate of storage costs to be incurred in the following two days.

iii. Any holds that have been assigned to the vehicle, and

iv. The allowable methods of payment to retrieve the vehicle.

b. The Contractor's website shall be available 24 hours a day, 365 days per year. Internet site maintenance and down-time should be scheduled between the hours of 12:00 a.m. and 6:00 a.m., except as otherwise necessary.

c. Contractor shall periodically update the website as needed to incorporate upgrades that enhance the User experience as they become available.

d. The website shall provide a customer service survey option, subject to SFMTA approval.

10. Wi-Fi Access

As of the Notice to Proceed Date, Contractor shall provide stable Wi-Fi access to Customers and designated City staff, at all Customer Service areas.

11. Guest Parking

Contractor shall ensure two guest parking stalls are available for City staff at each facility.

12. Commitments to City Support

a. Contractor shall provide a contact list for key management personnel responsible for supporting Services under this Agreement.

b. Contractor shall provide a contact number for those situations requiring a response within 15 minutes of inquiry.

G. Security Cameras, Digital Photos, and Audio Recordings

1. Camera Install Requirements

a. *Prior to the Notice to Proceed Date*, Contractor shall at their sole expense purchase, install, and maintain a video camera-based security system with remote access capability. **LD13**

b. The camera system shall provide surveillance coverage of the following areas: all customer service locations, cash handling areas, SFPD's Crime Scene Investigation (CSI) area, investigative vehicle storage areas, all towed vehicle storage areas, and Auction areas.

c. The Contractor shall grant designated City staff access to the camera system and shall allow designated City staff to view and monitor both live and recorded cameral feeds.

d. The Contractor's proposed system is subject to review and approval by the SFMTA prior to acceptance.

e. Upon termination of this Agreement, the SFMTA will determine the disposition of the security equipment and will either (i) negotiate purchase of the equipment from Contractor or (ii) will instruct Contractor to remove all equipment at Contractor's expense.

f. All Contractor staff interactions with the public in both the Primary and Secondary Customer Service Centers, onsite Auctions, and vehicle pick-up areas shall be subject to both video and audio surveillance. Contractor shall install cameras and microphones directly in front of each lobby window, with cameras pointed directly at the Customer. Cameras shall be mounted no higher than seven feet above the ground to ensure images are level with the Customer's face.

g. Contractor shall also install cameras and microphones at each lobby window to capture front/side view interactions between Customers and customer service representatives. These cameras shall be mounted no higher than eight feet off the ground to ensure clear, level images of the customers.

h. Contractor shall install additional cameras as requested by the SFMTA to monitor customer service and Contractor performance. The system and placement shall be deemed satisfactory only upon SFMTA approval.

i. All cash receiving and reconciliation operations shall be conducted under video surveillance. The SFMTA shall have real-time access to the live camera feed for these operations.

2. Digital Photo Recording

a. Contractor shall install and maintain cameras at both the Primary and Secondary Storage Facilities. Contractor shall take digital photos of all four sides of the exterior of each vehicle upon its initial entry into any designated facility.

b. Tow Operators shall photograph any visible damage to a vehicle prior to handling or towing the vehicle. *These photos shall be uploaded to the TVMS and made available within eight hours of the tow*. **LD14**

c. All images shall be stored electronically on a rolling basis for at least one year *and must be retrievable within two business days upon request by SFMTA or SFPD*. **LD15**

d. The SFMTA agrees that the requirements of this section may be satisfied by extracting still images from continuous video footage, provided the extracted images meet the intent and clarity of this provision.

3. Audio Recording Requirements

a. Contractor shall ensure that clear audio recordings are captured for each customer service window and that such recordings are synchronized with the corresponding video surveillance. Contractor shall install independent microphones for each camera to ensure the high-quality audio quality that is properly synchronized with the video feed.

b. Contractor shall record all customer service telephone calls. At the beginning of each call, Contractor shall notify the Customer that their call is being recorded for quality assurance purposes.

c. Contractor shall retain all such audio recordings on a rolling basis for a minimum of one year. Recordings shall be maintained in a manner that allows the SFMTA to access and retrieve them *within two business days of request*. **LD16**

H. Dispatching Requirements and Equipment Requirements

1. Dispatch 24/7 Help Line

Contractor shall establish and maintain a dedicated dispatch phone line, monitored 24/7 by a live operator, for use exclusively by the SFMTA Tow Desk to request

dispatch and towing support. This dispatch line shall be separate and independent of the phone line used for general customer service inquiries and shall be physically located at the SSF or LSF. Operators assigned to this line must be familiar with the specific operational needs of San Francisco and possess direct knowledge of San Francisco towing operations.

2. GPS Equipment

   a. *As of the Notice to Proceed Date,* Contractor shall ensure that Tow Operators are equipped with a fully functional global positioning system (GPS) that allows Contractor and designated SFMTA employees to accurately track Tow Operator locations in real time. **LD17**

   b. If the selected GPS device selected does not meet the SFMTA's reasonable expectations based on the GPS standards set forth in the RFP, the City reserves the right to require an alternate GPS device, including one that is permanently affixed to the tow truck.

   c. Contractor shall acquire and maintain all necessary software licenses for this GPS tracking system. Contractor shall provide to SFMTA, at Contractor's sole cost, access to the GPS tracking system using an internet-based interface or client-server application that can operate on the City's wide area network (WAN).

   d. Contractor shall install and configure GPS software, provide training at their own cost to both staff and City for the use of the software, and support all activities related to the City's use of the GPS tracking system.

   e. Contractor shall record the arrival time of Tow Operators to the requested tow location through the GPS system and shall compare the time recorded to the time the Tow Operator records their arrival through the TVMS. *Contractor shall ensure that each calendar month, at least 95% of the GPS-recorded arrival locations match the corresponding Tow Vehicle Operator recorded locations.* **LD18**

3. General Equipment

   a. Tow Trucks

      i. Contractor shall have tow trucks capable of handling light, medium and heavy-duty tows available to tow all vehicles ordered by a designated City agency to be removed from any public street or highway within the City.

      ii. Tow trucks shall be in good operating condition, equipped and prepared to provide expeditious movement of vehicles in all circumstances, including a) light, medium and heavy-duty vehicles; b) towing with dollies or flatbeds; c) towing motorcycles; d) towing from off-road areas; e) towing in garages, both underground and multiple story; f) recovery Services; g) towing of vehicles involved in collisions; and h) towing of vehicles with anti-theft locking devices.

iii. All tow trucks used in the performance of the Agreement's towing Services shall be well-maintained and clean on the interior and exterior.

iv. Contractor shall be in compliance with all California Vehicle Code requirements pertaining to the operation and maintenance of tow trucks and operation of its business, including all auxiliary equipment specified on the California Highway Patrol Form number 234 "Annual Tow Truck Inspection Report". Shall be in compliance with SFPD Code requirements.

v. All Tow Operators shall be fully trained on how to use the towing equipment, how to properly and safely, without damage to the vehicle, tow a vehicle and how to physically enter all types of vehicles when they are locked, and access is needed in order to tow.

b. Wireless Communication Devices for Tow Operators

i. *As of the Notice to Proceed Date*, Contractor shall provide a list of approved wireless communications devices (e.g., smart phones) to each Tow Operator that shall be used as digital, hands-free communication between Contractor's Central Dispatch and the operators. **LD19**

ii. Contractor shall be responsible for all costs associated with all wireless communications devices that are issued to the City.

iii. The TVMS and associated wireless communications equipment shall have the functionality to do the following:

a) Electronically send tow requests to the Tow Operators.

b) Automatically select the tow vehicle operator assigned for the tow based on proximity and electronically route the request to the Tow Operator.

c) Allow Tow Operators to acknowledge receipt of the tow request and ETA, which in turn shall be electronically transmitted through the TVMS so that both the SFMTA's Tow Desk and Contractor's Dispatch Center are informed that the Tow Operator is in route to the tow.

d) Transmittal of arrival time: The Tow Operator shall have the ability to transmit their arrival at the scene of a tow through their wireless communication device.

c. Backup Communications Devices

Contractor shall provide the SFMTA with a minimum of two portable communications devices to be used as an emergency communications method or an alternative mutually agreed upon by the parties.

III. TOWING REQUIREMENTS, TOW TYPES, AND REQUIRED RESPONSE TIMES

A. Routine Towing Requests

1. Contractor shall provide dispatch staff to receive tow requests 24 hours per day, 365 days per year, including holidays. Contractor shall dispatch Tow Truck Operators (TTOs) from Central Dispatch upon request.
2. During Peak Tow Hours, Contractor shall ensure a dispatch supervisor is on duty at Central Dispatch to manage Contractor's staff and address issues raised by the SFMTA.
3. Contractor shall track and log in the TVMS response times for all Light-Duty Tows.
4. In response to requests for Light Duty Tows, Contractor shall arrive at the designated points of tow, with the appropriate equipment, within the following response times:
    i. For requests made during Peak Tow Hours, *within 35 minutes;*
    ii. For requests made during Non-Peak Tow Hours, *within 25 minutes*; and
    iii. For pre-scheduled requests, no later than 10 minutes before the designated time. *For any calendar month,*

    Contractor shall achieve these response times at least 90% of the time. Contactor shall track and log in the TVMS response times for all Light Duty Tows. **LD20**
5. Contactor shall track and log in the TVMS response times for all Medium and Heavy-Duty Tows. In response to requests for Medium and Heavy-Duty Tows, Contractor shall arrive at the designated points of tow, with the appropriate equipment, within the following response times:
    i. Requests *made during Peak Tow Hours, within 120 minutes;*
    ii. *For requests made during Non-Peak Tow Hours, within 90 minutes*; and
    iii. For pre-scheduled requests, *no later than 10 minutes before the designated time*.

    Contractor shall achieve these response times for at least 90% of tow requests each calendar month. **LD21**
6. For all tows, Contractor shall continuously provide the estimated arrival time. Contractor shall also provide appropriate equipment to the designated points of tow.
7. At all times, Contractor shall ensure that:

a. For any calendar month, Contractor shall answer telephone calls from SFMTA's Tow Desk *within 90 seconds, for 95% of calls.* **LD22**

b. Contractor shall assign tow requests to either Tow Firms or Tow Truck Operators within two minutes after receiving tow requests from the tow desk for 90% of tow requests within the month. **LD23**

c. This requirement excludes requests modified by the requesting agency.

8. Contractor shall submit to the SFMTA a monthly report that shows response times for Towing requests.

B. Expedited Tows

Contractor shall prioritize dispatch of Expedited Tow requests above all other tow requests, so response time is minimized.

1. Expedited Tow requests shall be logged in the TVMS and reported to the SFMTA Tow Operations manager monthly.
2. Should Expedited Tow requests interfere with Contractor's ability to respond to response time requirements for other tow requests, Contractor shall report to the SFMTA Tow Operations Manager the number of Tow Operators available and the number of outstanding tow requests during the Expedited Tow request.
3. The SFMTA Tow Operations Manager will make every effort to ensure that Contractor shall not be required to expedite more than one percent of all tows each month.

C. Commute, Special Event and "No-Show" Tows

1. As of the Notice to Proceed Date, SFMTA will provide a schedule of Commute Tows, with times for Tow Operators to arrive, locations, and number of trucks required at the time of the Notice to Proceed. The SFMTA will communicate any modifications to the Commute Tow schedule to Contractor at least 24 hours in advance of the change.
2. The City will notify Contractor at least 48 hours prior to the date of a Special Event, and shall inform Contractor of the number of tow trucks required, the location, and the time the Tow Operators should arrive.
3. Contractor shall dispatch Tow Truck Operators (TTOs) as requested. If more than 10 trucks are required, SFMTA will notify Contractor at least 72 hours prior to the date of a Special Event or Sweep. The City will notify Contractor of any Modifications to scheduled Special Events or Sweeps at least 24 hours in advance.
4. The SFMTA requests that Contractor make every effort to assist, but will not hold Contractor responsible for Special Event or Sweep tow requests that occur less than 48 hours (72 hours for 10+ trucks) before the Special Event or Sweep, or to modifications to Commute Tows, Special Events of Sweeps that are given with less than 24 hours' notice.

5. Tow Operators may leave the location of any Commute Tow or Special Event Tow (i.e. "No-Show") under the following conditions:
    a. No information has been relayed to the Tow Operators that there is a delay in the scheduled arrival of the SFPD or PCO.
    b. Tow Operators have waited at least 20 minutes after the assigned time for the PCO or SFPD to arrive at the site of the tow.
    c. At least one Tow Operator has contacted the Tow Desk to report no one showed up within the time window provided.
6. Contractor shall compensate each Tow Operator at Special Event tow site for one Tow Operator fee.

D. Drop Tows

Conditions for a Drop Tow

1. Tow Operator shall conduct a Dropped Tow if the vehicle owner or driver claims the vehicle
    a. before all paperwork is complete,
    b. before the tow truck is in the lane of traffic,
    c. and before the Tow Operator is ready to drive to the appropriate storage facility.
2. Contractor shall compensate the Tow Operator 40% of the Tow Operator fee.

E. City-Owned Vehicle Tows

a. At the request of, and at no cost to, the SFMTA or the SFPD, Contractor shall tow or render roadside assistance to disabled City-owned vehicles assigned to these agencies. Roadside assistance shall be limited to starting stalled vehicles, picking up and delivering flat tires from designated locations, and changing flat tires.

b. Contractor's time to respond to requests from the SFMTA or the SFPD to tow or render roadside assistance to SFMTA or SFPD-owned vehicles shall be no longer than an average of 25 minutes per calendar month. For any calendar month, Contractor's mean response time shall be calculated separately from all other tows and shall equal the sum of all City-owned Vehicle Tow response times during the calendar month, divided by the number of response times.

c. Contractor shall absorb the costs of this service and is prohibited from passing the cost onto Tow Operators.

d. Contractor shall not submit a City-Owned vehicle for lien sale without written approval of the SFMTA.

F. Relocation Tows

At the request of SFMTA or SFPD, pursuant to Vehicle Code § 22654(e) relating to authorization for moving a vehicle otherwise lawfully parked, Contractor shall relocate vehicles as directed. Relocation tows may be called in to the Tow Desk by the Department of Public Works, San Francisco Public Utilities Commission, or Pacific Gas and Electric Company. Tow Desk shall forward the request the Relocation Tow to Central Dispatch for processing. Contractor shall identify Relocation Tows by the agency requesting the relocation tow in the monthly invoice.

G. Tows Requested Outside the Boundaries of the City and County of San Francisco

a. For tows requested by the City outside the boundaries of the City and County of San Francisco, *Contractor shall respond to the tow location within two hours, within a 50 mile radius of San Francisco*. **LD24**

b. Contractor shall identify tows outside City boundaries in the monthly invoice.

H. Tow Reporting Requirements

a. Contractor shall submit a monthly report to the SFMTA that summarizes the categories of tows as described in this section III.H, the number of tows in each category, and response times for each tow.

b. Contractor shall also track and report monthly the number of tows by parking violation category where applicable, using categories provided by the SFMTA.

c. *Within 30 days of the end of the SFMTA's fiscal year* (June 30), Contractor shall provide an annual report for the items a and b in this section.

IV. GENERAL VEHICLE INTAKE PROCEDURES

A. Tow Reporting Requirements

1. Contractor shall ensure that a record of each dispatched tow request must be created in the TVMS *within five minutes* of receiving the request.

2. The record of tow completion must be created in the TVMS *within 15 minutes* of towed vehicle's arrival at the Primary Storage Facility.

3. Contractor must meet timing requirements in this paragraphs1 and 2, *in 95% of all tows within a calendar month* **LD25**

Contractor's Customer Service Representative will input VIN into the TVMS. The TVMS shall only decode valid VINs.

B. Entry Into a Towed Vehicle

1. Contractor shall not enter the vehicle *unless specified to do so in this Agreement or required for vehicle movement or storage*

2. Contractor shall perform vehicle personal property functions under camera surveillance, record a video process and belongings and make this information available to the SFMTA within 24 hours of the recording.

3. Within 24 hours of impound, Contractor, *without entering the vehicle*, shall photograph and inventory, on an inventory form subject to approval by the SFMTA, all visible items from the exterior of the vehicle.
4. Contractor shall not access any locked storage compartment that accompanies the vehicle.
5. Customers may retrieve any stored property of value up to three days prior to the auction or disposal of a vehicle, after which Contractor shall remove and dispose or donate the property.
6. Contractor shall provide a form for the Customer to sign, as approved by the SFMTA, that includes an itemized list of items and store the form in the TVMS.
7. Three days after the Customer retrieves their personal property, Contractor shall donate or dispose of any property not claimed by Customer.

C. Personal Property

1. Contractor shall report any firearms, illegal substances, or any illegal items to SFPD within 24 hours for handling and disposal.
2. If a security risk arises, Contractor may remove and separately store personal property from the vehicle, as follows
    a. Contractor shall ensure the vehicle inventory form is completed in full and recorded and shall update the form, as necessary
    b. Contractor shall assign a tag number to the property.
    c. Property shall be stored in a secure location until the vehicle is retrieved or three days after the lien sale or disposal of the vehicle.

D. Procedures for Vehicles Impounded by the SFPD

1. Contractor shall not enter into any vehicle designated as an SFPD hold for retrieval and recording of any personal property without written authorization of the SFPD.
2. SFPD Investigative Holds
    a. The SFPD may designate any vehicle for which it has made a tow request as an Investigative Hold vehicle. Investigative Hold vehicles shall be stored in a segregated, secure area, located in designated areas of the Primary and Secondary Storage facilities.
    b. No person shall be allowed access to an Investigative Hold vehicle or retrieve Customer's property from such vehicle without written authorization from the SFPD.
    c. If the SFPD designates an Investigative Hold vehicle as an evidentiary vehicle at the time of the Tow Request, Contractor shall ensure that the towing and storage of the vehicle is conducted in accordance with any standards for handling and preservation of evidence provided to Contractor by the SFPD.

d. Contractor shall maintain the Investigative Hold areas in a manner which ensures its ability to locate vehicles requested by SFPD within one hour of SFPD's request.

e. *Within 60 days of the Notice to Proceed Date*, Contractor shall submit a Police Procedures Plan to the City describing in detail how it will process Investigative Hold vehicles to meet service requirements specified in this Agreement. **LD26**

3. Reporting of Police Investigative Holds

Contractor shall issue written reports to (1) SFPD personnel designated in writing by the Chief of Police, (2) the SFMTA Director of Transportation or their designee, and (3) the SFMTA Tow Operations Manager upon occurrence of the following events:

a. On any day the number of vehicles held under SFPD Investigative Hold exceeds 350, Contractor shall issue a "350 vehicle warning" and submit an inventory report of Investigative Hold vehicles currently stored.

b. Contractor shall submit a weekly report to the SFPD listing all vehicles currently held under Investigative Hold. This report shall be sent the individual designated by the SFPD as the inspector in charge of auto Investigative Holds.

c. *Contractor shall not release any vehicle held under SFPD Investigative Hold without written authorization from the SFPD*. **LD27**

4. Recovered Stolen Vehicles

a. Recovered stolen vehicles may be released from any district police station with presentation of the appropriate SFPD release form or as otherwise specified by SFPD.

b. Contractor shall cooperate with SFPD in the coordination of electronic information between DMV and SFPD, and between Contractor and SFPD for the purpose of early identification of stolen vehicles and prompt notification of the owner.

5. Administrative Hold Procedures

a. Designation: The SFPD may designate a vehicle as subject to an Administrative Hold. Contractor shall identify and track such holds as either "STOP" holds or "Traffic Administration" holds. Vehicles subject to Administrative Hold by the SFPD or the SFMTA shall not be processed or otherwise treated as Investigative Hold vehicles.

b. Lien Restrictions: Contractor shall not proceed with Lien Sale actions on any vehicle subject to an Administrative Hold without written release authorization from the SFPD, in accordance with all applicable Lien Sale requirements. Vehicles designated as SFPD STOP Administrative Hold vehicles must be held for at least 30 days prior to Lien Sale.

c. *Contractor shall not release vehicles subject to an SFPD Administrative Hold ,* including those placed under the SFPD's STOP Program or otherwise impounded

pursuant to the California Vehicle Code , *without written or electronic release authorization from the SFPD, which may be provided through the TVMS*. **LD28**

6. Documentation Requirement for SFPD Released Vehicles

   a. Contractor shall not release or allow Customers to remove parts from Police Hold vehicles without a release authorization from the SFPD.

   b. The SFPD will provide Contractor a standard form to be used for all release authorizations and a list of individuals authorized to provide vehicle and Personal Property Releases.

   c. Contractor shall convert written SFPD forms to electronic forms that are capable of being printed in an Adobe PDF or equivalent format.

   d. Contractor shall inform the Customer that release of a vehicle subject to Police Hold may only be obtained by going to the SFPD Traffic Administration Unit at 850 Bryant Street, Room 154, to request that the vehicle be released.

E. Vehicle Release Procedures

Contractor shall release towed vehicles from impound in accordance with the California Vehicle Code, and in accordance with such rules and regulations implemented by authorized City agencies to the extent they are consistent with the Vehicle Code.

1. Vehicle Release Process

   When a Customer arrives at the Customer Service Center to retrieve their vehicle:

   a. Contractor shall identify the requested vehicle by license number, Vehicle Identification Number, vehicle make, date and location of tow or from other information provided by the Customer.

   b. The Customer will be required to provide evidence satisfactory to Contractor's personnel that they are the person entitled to receive the vehicle. This shall include, but is not limited to, a key to the vehicle and a valid operator's license.

   c. Contractor shall verify that the requested vehicle is registered as defined by California law by reviewing the registration tag.

   d. When Contractor's personnel is satisfied that the Customer has a valid driver's license and entitled to remove the vehicle, Contractor shall record Customer's name, address, and contact phone number, the number and expiration date of the Customer's driver's license, and collect applicable fees. Contractor shall release the vehicle to the Customer within one hour of the time the Customer begins the release procedure.

   e. Vehicle release must be performed at all facilities. If the vehicle is stored at the Secondary Storage Facility, transportation to that location will be provided by Contractor during Secondary Storage Facility business hours at no charge to the Customer, or the vehicle shall be delivered to the Customer Service Center *within one hour of payment of fees associated with vehicle tow*. **LD29**

f. Contractor shall not charge the customer a transfer fee in connection with the requirements of paragraph e above is in effect.

g. Upon request by the SFMTA, Contractor shall verify that the Customer has valid insurance before releasing the vehicle.

h. All Contractor personnel, including security personnel, shall strictly comply with these release requirements. Any security lapse caused by Contractor error that results in an improper vehicle release shall require Contractor to reimburse the Customer for all associated towing and storage expenses, and Contractor shall be subject to applicable liquidated damages

2. Personal Property Releases

a. A Personal Property Release allows the Customer to enter the vehicle, with the supervision of Contractor, to obtain property from the towed vehicle.

b. Contractor shall request the keys from the customer and security will open the doors to the car in the presence of the Customer, so that the Customer can enter the vehicle

c. Contractor's supervision shall include preparing a written inventory of the items removed by the Customer. However, Contractor has no responsibility for assisting the Customer to remove personal property from the vehicle.

d. Contractor shall require the Customer to sign the inventory statement listing the item(s) they removed from the vehicle, and shall file the Personal Property Release data collected in the TVMS system with a file name cross referencing the Tow Request ID in the TVMS.

e. Contractor shall only release personal property found within any vehicle in its custody when the vehicle is not subject to Police Hold and there is evidence that the Customer is entitled to access the vehicle and its contents.

3. Parking Citation Payments

a. Contractor shall determine the status of parking citations through authorized access to the SFMTA's Citation Management System.

b. If a Customer wishes to dispute a citation, Contractor shall refer the Customer to the SFMTA Customer service center, at 11 South Van Ness Avenue.

c. If a Customer wishes to pay Citations that are not required for release of a vehicle, Contractor shall accept payment, immediately record the payment in the SFMTA's Citation Management System, and release the vehicle as described above.

d. Contractor shall accept payment of parking Citations at the Primary Storage Facility's Customer Service Center during business hours, regardless of whether the Customer's vehicle has been towed.

e. Contractor shall deposit all funds collected for parking citation payments into the SFMTA's designated account, as designated by the SFMTA's Controller, no later than the next business day following collection.

f. Contractor shall be solely responsible for any shortages in funds collected for parking citation payments.

g. Contractor shall use the SFMTA Citation Management System to determine outstanding Citations and the corresponding amount due. Contractor post payments to the SFMTA system on a real-time, on-line basis, 24-hours per day, seven days per week.

h. Contractor shall bear all costs associated with accessing the SFMTA's Citation Management System, including without limitation hardware, connections, and other related expenses.

4. Improper Release of Vehicles

If, in violation of applicable law or this Agreement, Contractor improperly releases, sells, disposes of, loses possession of, or is unable to locate any vehicle towed under this Agreement, the following provisions shall apply:

a. Contractor shall notify the SFMTA immediately, and in no event later than two hours of discovery, of any incident involving the improper release or loss of a towed.

b. If Contractor error results in a release or removal of a vehicle from a storage facility without payment of towing and storage fees, *Contractor shall reimburse the City all such fees accrued from the date vehicles was towed.* **LD30**

c. Contractor shall resolve any claim filed by a Customer *whose vehicle has been lost, stolen, sold, or otherwise disposed of without proper authorization or adherence to required procedures within 60 days of the date the claim is filed.* **LD31**

V. LIEN SALE (AUCTION) REQUIREMENTS

A. Valuation of Vehicles

1. Contractor shall have each impounded vehicle (except for vehicles under SFPD hold) assigned a lien category (Lien 1, Lien 2, or Lien 3 Vehicle) *no later than 72 hours after vehicle intake at a designated intake Facility*. **L32**

2. Contractor shall assign a Lien Category by accurately assessing the monetary value of each vehicle under penalty of perjury as required by California Vehicle Code Section 22670(b).

3. Contractor shall comply with all state and local laws and regulations applicable to notice and conduct of Lien Sales of vehicles, including, but not limited to California Civil Code §§ 3068-3074 and Division 11, Chapter 10, Article 2 of the Vehicle Code (§§ 22650 et seq.), and any successor statutes.

B. Lien Assignment

1. Contractor shall make a diligent effort to locate and contact the owner and any lienholder(s) for each impounded vehicle, in accordance with all state and local laws and regulations.
2. Contractor or its designee shall request vehicle ownership information from the DMV for all vehicles stored at least 72 hours, and shall, whenever ownership information is available, send lien notices to registered owners, lien holders and legal owners identified by the DMV between three and seven days from the date that the vehicle was towed.
3. Contractor shall use an electronic means of communicating its requests for vehicle license and ownership information from the DMV. Exceptions to the deadlines for providing prompt notice of storage to vehicle owners pursuant to this Section include:
   a. Vehicles subject to Investigative Holds.

      Ownership information for these vehicles shall be requested and notices sent within 48 hours after the hold is released by the SFPD, and storage charges shall begin to accrue as of the date of the release of the hold.

   b. Vehicles identified as No ID vehicles.

      Ownership information for these vehicles should be requested and notices sent within 48 hours after vehicle identification has been provided by SFPD.

   c. Vehicles with out-of-state license plates for which the DMV does not have ownership information. Lien notices for these vehicles must be sent to DMV in accordance with the requirements of the Vehicle Code.

C. Notices to Owners

1. At the request of the SFMTA, Contractor shall issue a notice of storage to all Customers whose vehicles are towed, as required by California Vehicle Code Section 22651.07.
2. Contractor shall issue a Notice of Pending Lien Sale as required by the California Vehicle Code. The form of notice sent to registered owners, lien holders and legal owners shall be subject to Vehicle Code, Civil Code, and DMV requirements and prior approval by SFMTA. Lien sale notices shall include a statement that states*: "failure to Claim a vehicle is not sufficient to avoid payment of towing and storage costs in excess of the vehicle's sale price, and that, with the exception of Lien 1 Vehicles, such towing and storage charges in excess of the vehicle's sale price may be subject to collection."*
3. Contractor shall provide a bi-weekly lien sale report to SFMTA that must include the VIN, license plate number, year and model of each vehicle sold at Auction, the Lien classification of the car, the starting bid amount, the actual sale amount, and a detailed description of the distribution of deficiency or excess proceeds amounts.

4. Contractor shall not sell Lien 1 vehicles at the Auction. All Lien 1 vehicles shall be sold to dismantlers.
5. Contractor shall set aside three to eight Lien 1 vehicles on a monthly basis, to be used for SFFD training, and deliver the vehicles to the designated training area at the Secondary Storage Facility.
6. Contractor shall create a Vehicle Valuation Plan as part of the Operations Manual elements within 60 days of Notice to Proceed Date.

D. Requirements for Online Auctions

1. Contractor shall subcontract with an SFMTA-approved Platform Provider to conduct Online Auctions on behalf of the SFMTA.
2. The internet- and/or application-based platform used to conduct Online Auctions shall be accessible to anyone interested in bidding on a vehicle.
3. Platform Provider shall not charge users a fee for participating in an Online Auction.
4. Platform Provider shall keep records of the following
    a. Each participant, including verified email address, verified mobile phone number, user provided ZIP code, and IP address at time of bid;
    b. Each bid and winning bid; and
    c. Vehicles sold
6. Platform Provider shall not permit or accept sealed bids.
7. Platform Provider will be entitled to receive a per-vehicle Online Auction fee of 11% of the vehicle's final bid price (e.g., the amount of the winning bid price, excluding any taxes or other fees). The Online Auction fee shall be deducted from the winning bid price. The winning bidder will not be charged additional fees unless required by law (e.g., taxes).
8. Contractor shall comply with provisions under the California Civil Code by requiring that each vehicle to be auctioned has been available for inspection at a location easily accessible to the public at least one hour before the sale and is at the place of sale at the time and date specified on the notice of sale.
9. Contractor shall hold online Auctions at least every other week, for a minimum total of 26 Auctions annually.
10. Contractor shall notify the Platform Provider of the day of regularly scheduled Auctions.
11. Contractor also shall notify the Platform Provider a minimum of three days before any additional Auctions shall take place.
12. Contractor shall perform software integrations within the TVMS with the Platform Provider to ensure sale and purchaser information is captured in the TVMS.

E. Requirements for Onsite Auctions

1. At the request of the SFMTA, Contractor shall hire the services of independent auctioneers at Contractor's own expense.
2. Contractor shall rotate a full-time auctioneer at least once per year except with the SFMTA's prior written approval. The Contractor may propose an alternate model of rotation, but any alternate rotation models are subject to written approval of the SFMTA.
3. Upon Contractor's request, and with prior written approval by the SFMTA, an individual who has served as a full-time auctioneer in the past, but not within the preceding year, may again act as a full-time auctioneer.
4. A full-time auctioneer is defined as one who has performed more than 50% of the Auctions within a given contract year.
5. Contractor shall keep Records of auctioneer rotation and shall produce those Records within 48 hours of a request from the SFMTA.
6. Onsite Auctions shall be held at least every other week, for a minimum total of 26 Auctions annually. Contractor shall notify the auctioneer of the day of regularly scheduled Auctions. The Contractor also shall notify the Auctioneer a minimum of three days before any additional Auctions shall take place.
7. Contractor shall provide the auctioneer a report of all vehicles to be auctioned, which shall include at a minimum the vehicle makes, models, and the minimum asking price as determined by Contractor ("Pre-Auction Report).

F. Disposal of Unsold Vehicles

At least once every other week Contractor shall remove and dispose all sold Lien 1 vehicles.

G. Records of Vehicle Auction Purchasers

1. Contractor shall require all persons who desire to purchase vehicles at Auction to pre-register. Contractor shall require all registrants to provide photo identification with current address. Contractor shall maintain Records of each purchaser's name and address.
2. Contractor shall maintain Records of each purchaser's name and address. The information shall be maintained in TVMS and shall be linked to the vehicle purchased.

H. Auction Violations

1. Platform Provider staff and auctioneers and their Close Family Members are prohibited from participating in auctions.
2. Contractor must act immediately to dismiss a Platform Provider or auctioneer if Contractor has actual knowledge of any conduct on the part of the Platform Provider or auctioneer that is prohibited under this Section, and must immediately notify the SFMTA and address the conduct discovered or suspected.

3. Contractor shall not sell vehicles at Auction to any participants meeting the following criteria: **LD33**
   a. The SFMTA Operations Manager, or SFMTA Staff directly responsible for oversight of the Agreement, and any Close Family Member of same
   b. Contractor's employees and any Close Family Member of Contractor's employees
   c. The Platform Provider.
   d. Any individual designated to provide auditing Services under the Agreement as described
   e. Any person who is acting or has acted within the previous three years as Contractor's vehicle Auctioneer, or any Close Family Member of a person who is acting or has acted within the past three years as Contractor's vehicle Auctioneer
4. Contractor shall develop lists of Auction participants who demonstrate a tendency to purchase and subsequently abandon vehicles purchased at Auction on public or private property, and shall prohibit such persons and any other persons who are known to have engaged in illegal conduct or conduct prohibited by this Agreement before, during or after an Auction from submitting bids.
5. At the request of the SFMTA, Contractor shall develop a list of Auction Participants who demonstrate a tendency to purchase vehicles, which are subsequently towed, unclaimed, and disposed or sold at auction.
6. Contractor must obtain and verify a list of the Restricted Auction Participants at the time of any changes to the current employee list, the Auctioneer and/or the individuals designated to provide auditing Services under the Agreement.
7. The Contractor must establish a clear employment policy that prohibits employees and their Close Family Members from making purchases of vehicles at Contractor's Auctions. The policy must be included in Contractor's employee policies manual, and all new employees are required to review and acknowledge acceptance of the employee policies manual at the time of employment.
8. Contractor must act immediately to initiate termination proceedings for any employee found to have violated this policy and must immediately notify the City if it has actual knowledge or suspicion of any employee violating this policy.
9. SFMTA may conduct periodic audits of the of the Restricted Auction Participants list, using the most current list and a random sample set of vehicles sold through the Auction during the given evaluation period, to determine if any vehicle sales within the sample are prohibited. Contractor shall provide the necessary tools to facilitate an audit table.

VI. CLAIMS AND COMPLAINTS

A. Monetary Claims Procedure

1. Contractor shall establish a procedure by which Customers whose vehicles have been towed and/or stored may file a monetary Claim against Contractor.
2. Contractor shall respond to all monetary Claims *within seven days of receipt of the Claim*, to acknowledge, accept, deny or request further information for investigation. **LD34**
3. Subject to approval by SFMTA, Contractor shall produce template language for claims to be used for communicating with claimants. The template language shall be professional and similar to industry standards for monetary claims.
4. Contractor shall keep an electronic file or system for each Claim and supporting documentation. Contractor will provide direct access to SFMTA to the electronic file or system.
5. Contractor shall designate a Claims Manager who shall supervise Contractor's Claims procedures and shall be available during regular business hours to discuss Claims with Customers in person or by telephone. Contractor shall designate a backup person for emergency court appearances.
6. Contractor shall maintain electronic Records and an audit trail of all Claims filed and of all correspondence with Customers, including but not limited to denials of Claims, settlement offers and amounts paid on Claims. Records shall be kept for the term of the Agreement, including any extensions.

B. Status Reports of Monetary Claims

Contractor shall submit a monthly Monetary Claims Status Report that contains the following information:

1. Claim tracking number
2. Name of Customer filing Claim
3. Date Claim received
4. Name of Contractor employee who processed Claim
5. Brief description of Claim
6. Estimated value of Claim, when available
7. Verified amount of Claim
8. Status of Claim
9. Average time between receipt of Claim and resolution of Claim
10. Brief description of Claim resolution
11. Date of resolution of Claim

C. Deficiency Claims

1. Upon request of the SFMTA, Contractor shall file Deficiency Claims under California Civil Code § 3068.1 for any fees still owed by the Customer after the Lien sale of vehicles listed as Lien 2 or Lien 3. Before attempting collection of the Deficiency

Claim, Contractor shall send a notice to the registered owner of the amount of the Deficiency Claim, the basis of charges, including the dates and amounts of towing and storage fees, the make, model, and license number of the vehicle that is the basis for the Claim, and the amount of the debt, including the amount that is offset by money recovered from the sale or salvage of the vehicle. Documentation of any amounts received by Contractor on behalf of the City for the sale or salvage of the vehicle shall be included with this notice.

2. In the event that SFMTA approves Contractor using a third-party vendor to provide collection Services on behalf of the City for these Deficiency Claims, Contractor shall contractually require the third-party vendor to meet the Lien Sale notice requirements of this Section VI.C.2. The form of such notice, whether sent by Contractor or by a third-party vendor, shall be subject to prior approval by City.
3. Any amounts incurred to perform these collections will be reimbursed to Contractor by the SFMTA and all amounts collected will be paid by Contractor to the SFMTA.

D. Service Complaint Procedure

1. Contractor shall establish a procedure by which Customers may submit service Complaints about Contractor's performance of the Services under this Agreement.
2. Contractor shall respond to all Service Complaints, regardless of origin (by mail, phone, in person or via the internet) *within three days of receipt of the Complaint*. **LD35**
3. Contractor shall make available to Customers a service complaint form that includes a self-addressed, pre-paid postage envelope.
4. The Contractor's Complaint procedure shall allow service Complaints to be submitted by mail, fax, or internet, and shall allow Customers to request a Complaint form by telephone, fax, in person or by email.
5. Contractor shall record the name, telephone number, and address of each complainant and the details of each service Complaint.
6. Contractor shall respond to City requests to review Records related to Service Complaints *within three days of request.* **LD36**

E. Status Reports of Service Complaints

1. Contractor shall maintain a Service Complaint summary in a form acceptable to the SFMTA that contains the following information:
   a. Complaint tracking number
   b. Name of Customer/complainant
   c. Date Complaint received
   d. Name of Contractor employee who processed Complaint
   e. Brief description of Complaint
   f. Status of Complaint

g. Brief description of Complaint resolution

h. Date of resolution of Complaint

2. Contractor shall track and provide the City with supplemental, specialized reports regarding any Complaint upon request within three days of request.

VII. TOWED VEHICLE MANAGEMENT SOFTWARE (TVMS)

A. Data Availability

1. Contractor shall provide SFMTA with, and maintain real-time access to, its database of towed vehicles at all times through a web-based system. On-line access shall be available to SFMTA-designated departments and staff.
2. Contractor shall ensure that data stored in the TVMS is available on a read-only basis that allows the SFMTA and Contractor to search for vehicles by license number and VIN number, although Contractor is welcome to add other means of searching for vehicles.
3. The Contractor's database shall not under any circumstances be maintained using proprietary software that will prevent data analysis/extraction using Excel or comparable software.
4. The Contractor's *TVMS must be operational and available at least 98% of the time for any individual calendar month*, except in case of failure of third-party providers of electrical power, internet access, or cellular communications to provide service. **LD37**

B. Communications

1. The Contractor's system shall store towed vehicle information that includes but is not limited to the following:

   a. VIN

   b. Vehicle license plate number and state of origin

   c. Vehicle make

   d. Vehicle model

   e. Vehicle color

   f. Location of tow (specific format for to be provided for SFMTA)
      i. Street address
      ii. Cross street
      iii. Zip code

   g. Tow date and time

   h. Tow equipment used

   i. Reason for tow

j. Time of arrival at the storage Facility

k. Date and time of transfer between storage facilities

l. Dispatcher ID#

m. Tow Operator ID#

n. Final disposition of vehicle (released or sold)

o. Notes Section (Comments added by customer service representatives from conversations with vehicle owner, lien holder, insurance agent, or any other applicable party).

2. Contractor shall send towed vehicle information collected on every vehicle towed by each responding Tow Operator in real-time to the TVMS using a wireless communications device. Commute Tows, Special Event Tows, and Regional Sweeps information shall be sent once the tow truck arrives at the appropriate Facility, until enhancements enable Tow Operators to initiate TVMS tow Records from the field.

3. Contractor shall train employees and Tow Operators on the procedure for inputting the information on towed vehicles. This initial communication will create a new record indexed to the unique, system-generated field in the TVMS for each tow request.

C. User Identification and Permissions

1. Contractor shall keep a digital record of all initial Contractor and City employees Users of the TVMS; any non-Contractor User changes to the list must be documented and approved by the SFMTA.

2. The User Record shall identify the following:

a. Name of User

b. User's e-mail address

c. Agency of User (applicable to City employees and authorized representatives)

d. Permissions include read only, money handling functions, financial adjustment authority, and override authority.

D. Electronic Storing and Retrieval of Tow Inventory Slips

1. Contractor shall electronically scan and file Tow Inventory Slips of all vehicles being towed and cross-reference the scanned slip to the tow record in the TVMS.

2. Contractor shall ensure that Tow Inventory Slips are scanned and entered into the TVMS system as soon as the vehicle is delivered to a towing storage facility *and never more than eight hours after a vehicle is towed*. **LD38**

3. Contractor shall ensure that the City has remote electronic access to Tow Inventory Slip information at all times.

4. Contractor shall retain electronic copies of all tow slips on file for the term of the Agreement. At the end of the Agreement, the SFMTA will indicate what tow slips need to be transferred based on the agency's document retention requirements.

E. Electronic Storing and Retrieval of Non-Program Waiver/Reimbursement Forms

1. Contractor shall scan all manually-written reimbursement forms and store the forms as an electronically scanned image, cross-referenced to the tow record in the TVMS within.
2. Contractor shall ensure that the SFMTA has remote electronic access to waiver/reimbursement data at all times.

F. Electronic Form

1. Contractor shall develop an Electronic Form for SFMTA and SFPD staff to enter waiver information into the TVMS system. A PDF or equivalent copy shall be auto-populated and made available through the TVMS for each applicable tow. The Electronic Form will act as a replacement for the current paper waiver forms.
2. The TVMS shall allow the SFPD and SFMTA to enter waiver instructions. The TVMS shall automatically apply any fee reductions based on waiver instructions provided. Only designated Contractor staff shall complete a Customer invoice.

G. Vehicle Inventory

1. *As of the Notice to Proceed Date,* Contractor shall maintain an electronic vehicle inventory and vehicle locator system at both the Primary and Secondary Storage Facilities throughout the term of this Agreement, and any extension(s) thereof, in a manner that is satisfactory to the SFMTA. **LD39**
2. The Contractor's system must be capable of providing electronically to the SFMTA a daily record containing information including tow date, VIN (if available), vehicle make, model, year, and registered owner of all vehicles and the location of all vehicles both at the time of tow and at any point after the vehicle has been towed.
3. Contractor shall provide a daily vehicle intake report to authorized City agencies through the TVMS system.

H. Customer Invoices

1. Contractor shall maintain uniquely numbered invoices of each transaction involving the removal, impoundment, and disposition of all vehicles towed pursuant to the Agreement.
2. Contractor's invoices shall contain the following information: a) date and time an authorized City agency contacts Contractor to request the tow; b) date, time and location of tow and identity of Tow Operator; c) make, model, year, vehicle license number and VIN of vehicle towed; d) name and address and telephone number of registered owner of vehicle towed; e) inclusive dates of and itemized charges for impoundment; and f) date and manner of vehicle disposition and income received therefrom.

3. Electronic Records of all invoices shall be stored in a manner approved by the SFMTA. The SFMTA shall have the ability to review copies of all invoices through the TVMS upon request.
4. The TVMS shall have the ability to separate electronic authorization of waivers by the SFPD or SFMTA from Contractor's processing of those waivers.

I. TVMS Integration with SFPD Dispatch System

1. *Within 180 days of mutual agreement by Contractor and City on an interface design and joint project plan,* Contractor shall integrate the TVMS with the SFPD's Computer-Aided Dispatch (CAD) system. The integration shall enable officers can input tow-related information directly from the patrol vehicles using the CAD system. **LD40**
2. Upon request by the City, Contractor shall assess the feasibility of integrating the TVMS with the California Law Enforcement Telecommunication System (CLETS) to enable automated reporting of non-consent tows to California Department of Justice system,
3. All integration shall be designed to ensure that no restricted or confidential information is accessible to anyone outside the SFPD.

J. TVMS Integration with Handheld Citation Issuance Devices for Tow Requests

Within 180 days of mutual agreement by Contractor and City on an interface design and joint project plan, Contractor shall integrate the TVMS to the SFMTA's *handheld Citation issuance devices, enabling to initiate tow requests electronically*. **LD41**

K. Integration of TVMS with the City's Citation Management System (CMS)

1. *Within 180 days of mutual agreement by Contractor and City on an interface design and joint project plan,* Contractor shall create and establish an interface between its TVMS and the City's CMS that enables in real-time creation of records as tows occur. **LD42**
2. Contractor shall ensure that all shared data elements between the TVMS and CMS are updated in real-time in both systems.
3. Contractor shall provide vehicle intake data to the City within one hour of vehicle intake, in a format approved by the City, for CMS update purposes.
4. Contractor shall enter all vehicle release information into the CMS within 24 hours of release.
5. If identifying information for a vehicle cannot be matched between the CMS and the TVMS, Contractor shall report the discrepancy to SFMTA within 72 hours of discovery.
6. At any time during the term of this Agreement, the SFMTA may elect to eliminate the use of the City's CMS for purposes of entering and tracking towed or impounded vehicles. Upon such election, the interface requirements of this Section shall no longer apply. The Contractor's TVMS shall serve as the sole system of

record, and the City retain the right to audit TVMS data at any time using reasonable methods.

7. If CMS is discontinued as the system of record, Contractor shall provide the City with a daily list of all currently impounded vehicles in an electronic format that is approved by the City.

VIII. STORAGE AND CUSTOMER SERVICE FACILITIES

A. Facilities Provided

The SFMTA will make available for Contractor's use two parcels of property subject to the terms and conditions in the licensing agreement included in Appendix A-2. Contractor shall be required to use the Primary Storage Facility approximately 72 hours after the initial tow to allow for Customer retrieval of vehicles in a centralized location in San Francisco. Contractor shall use the Secondary Storage Facility for both storage of towed and abandoned vehicles that are unclaimed by vehicle owners, and for hosting Auctions of vehicles that are subject to Lien Sale. The Contractor is responsible to keep all open areas on the properties where storage facilities are located maintained in a clean, secure, neat, and visually presentable manner.

B. Facility Relocation or Consolidation

The SFMTA reserves the right to move either Facility to another location or to combine facilities, and will pay the reasonable costs should the need become necessary.

C. Vehicle Dismantling/Crushing Prohibition

The Contractor is prohibited from dismantling or crushing vehicles or removing vehicle fluids at either Facility, except as needed to comply with applicable environmental regulations to be identified in the license for each Facility. **LD43**

D. Maintenance of Facilities

The Contractor is responsible for ongoing maintenance of all property and equipment within both Facilities, including equipment used by the SFFD and the SFPD as referred to in items G and H of this Section

E. Primary Storage Facility

1. Components

   The Primary Storage Facility, currently located at 450 – 7th Street, consists of the Customer Service Center, space for 200-300 towed vehicles, and other areas as requested by the SFMTA.

2. Time Constraints

   a. Contractor shall store all towed vehicles that are normally claimed by their owners within 48 hours after being towed, including all towaway and driveway tows, at the Primary Storage Facility.

b. Vehicles shall be moved to the Secondary Storage Facility per a schedule approved by the SFMTA. Initiation of the vehicle release process shall begin at the Primary Storage Facility.

3. Sales Prohibition

No sales of vehicles or parts shall be conducted at the Primary Storage Facility.

4. Customer Service Center

Customers may recover vehicles in person, and may pay towing and storage charges, Citation fees, boot fees, and other applicable fees, and/or process any documentation required for vehicle release.

F. Secondary Storage Facility (SSF)

1. Components

The SSF currently consists of two customer service areas (one for vehicle retrieval and one for Auction-related Services), Contractor office space, an Auction area, and SFPD hold areas (indoor and outdoor) with office space.

a. Business Hours

The Primary Storage Facility shall be open 24 hours per day, 7 days per week, including holidays. The Secondary Storage Facility shall be open for business from 8 a.m. to 5 p.m. Monday through Friday and 8 a.m. to noon on Saturday. However, vehicles stored in the Secondary Storage Facility must be available for release or transport to the Primary Storage Facility at any time in compliance with the release requirements stated herein.

b. Customer Service Center

Customers may recover vehicles in person at the SSF Customer Service Center. At this location, Customers may pay towing and storage charges, Citation fees, boot fees, and other applicable fees, and/or process any documentation required for vehicle release.

2. Lease Obligations to Owner of Facility

The Contractor shall enter into a license with SFMTA for each Facility used in the performance of this Agreement. Each license agreement shall require Contractor to assume all responsibilities for, and be bound by, all covenants, terms, and conditions set forth in the SFMTA's lease agreement for the applicable Facility.

3. SFPD Space Requirements

a. Contractor shall provide space and equipment to meet SFPD’s requirements for the storage and handling of up to 300 Investigative Hold vehicles, including:

i. One vehicle lift and one motorcycle lift.

ii. Secured indoor space for Investigative Hold vehicles.

iii. Secured outdoor space for Investigative Hold vehicles.

iv. Specification for space allocation will be provided by the SFMTA.

v. Indoor space for No ID vehicles

b. No person shall be permitted access to an Investigative Hold vehicle or allowed to retrieve personal property from such vehicle without written authorization from the SFPD.

c. If the SFPD designates an Investigative Hold vehicle as an evidentiary vehicle at the time of the tow request, Contractor shall ensure that the towing and storage of the vehicle comply with any written standards or protocols provided to Contractor by the SFPD for evidence handling and preservation.

d. Contractor shall maintain the Investigative Hold areas in a condition that allows for the prompt retrieval of vehicles. Contractor must be able to locate and make any requested Investigative Hold vehicle available to the SFPD within one hour of request. The Contractor may, from time to time, request training for Tow Operators and employees for the handling of evidentiary vehicles from the SFPD.

4. SFFD Training

a. To support the SFFD's extrication rescue training, Contractor shall set aside six to eight L1 vehicles designated for dismantling.

b. Contractor shall deliver six to eight L1 vehicles each month to the SFFD's designated training facility and maintain an inventory of vehicles delivered and in possession of SFFD.

c. Following notification from the SFFD that training is complete, Contractor shall retrieve the used vehicles from the training facility and update the inventory accordingly.

5. SFFD Space Requirements

a. At the request of the SFMTA, Contractor shall make available to the SFFD an outdoor area at the Secondary Storage Facility capable of accommodating approximately 25 vehicles.

b. This designated area may be made available for SFFD training purposes on a monthly or bi-monthly bases, depending on the City's operational needs.

c. When no SFFD training is scheduled, Contractor may use the designated training area for temporary vehicle storage, provided the area can be cleared for SFFD use upon request.

G. Additional Requirements for Both Facilities

1. Contractor must comply with all federal, State, and local laws, and safety regulations applicable to its proposed use.

2. Contractor shall ensure that all areas, including those servicing Customers for vehicle pick up and Auction activities are clean and well maintained.

3. Contractor shall meet all onsite environmental requirements for handling and storage of hazardous materials.
4. Contractor shall be responsible for existing gate and fencing maintenance.
5. Contractor shall repair any damage to the existing pavement on Facility property during the normal course of business.
6. Contractor shall maintain adequate lighting for indoor and nighttime safety of employees and Customers.
7. Contractor shall ensure adequate drop off-space so that tow and transport trucks can quickly and efficiently load and unload on the property. No loading, unloading, parking or storage of vehicles shall be permitted on the surrounding public streets or right of ways.
8. The Contractor is prohibited from selling vehicle parts at the Facility.

H. Reconfiguring SFPD Areas

Contractor shall not modify, reconfigure, or otherwise alter any area designated for SFPF use at the Secondary Storage Facility without the prior written approval of the City. All such modifications may be approved in advance and in writing.

I. Right to Inspect

Any authorized representative of the SFMTA has the right to inspect Contractor's Primary and Secondary Storage Facilities at all times for the purpose of evaluating Contractor's performance. SFMTA officials and inspectors may conduct periodic site visits at any time to inspect for permit conformance and customer service standards, or to respond to Customer Complaints. Contractor must provide the SFMTA with unrestricted access to the Primary and Secondary Storage Facilities.

IX. REPORTING

A. Required Reports

Contractor shall provide the SFMTA the ability to access required reports via a real-time, web-based reporting system.

B. On-Demand Reports

Contractor's reporting system shall allow for on-demand, ad hoc requests, and system monitoring.

C. Report Requests from the Public

Contractor shall assist the SFMTA in responding to requests for tow-related information from the public *and to produce reports within two business days of the request unless otherwise specified.* **LD44**

D. Required Reports List

Contractor shall ensure that the Towed Vehicle Management System (TVMS) has the capability to generate predefined reports, including but not limited to the following categories and report types:

1. Daily
    a. Tow Activity
    b. Tow Response
    c. SFPD Holds
2. Weekdays
    a. Citations
    b. SFPD investigative Holds – in excess of 350
    c. Payment Details
    d. Receipt Fee Items
    e. Released Vehicles
    f. Unreleased Vehicles
3. Weekly

    SFPD investigative Holds
4. Bi-Weekly

    Lien Sale
5. Monthly
    a. Auctioneer
    b. Claims
    c. Complaints
    d. DBE
    e. Dropped Tows
    f. Financial and Operational Summary
    g. Call Volume Report
    h. Released Vehicles
    i. Sales - Deficiency
    j. Sales - Excess
    k. Service - Call Center
    l. Service - In-Person
    m. Sold Vehicles
    n. Sold Vehicles - Buyers
    o. Special Event Tows
    p. Staffing Levels
    q. Stolen Vehicles
    r. Stored Vehicles
    s. Survey
    t. Tow Activity
    u. Tow Operator Permit and Verification
    v. Tow Response
    w. Transfers

6. Quarterly

   Subcontractor Performance

7. Fiscal Year

   a. Abandoned Vehicle Abatement
   b. Dropped Tows
   c. Revenue by Agency
   d. Special Event Tows
   e. Stolen Vehicles
   f. Tow Activity - Equipment Type
   g. Transfers
   h. Receipt Fee Itemization
   i. Revenue Reconciliation
   j. Lien Vehicle Sales
   k. Waiver Detail and Count/Amount Summary
   l. Management Fee
   m. Response Time Report
   n. Towing Detail

8. Special

   (Every 20 minutes or as needed)

   Scheduled Tows – Towaway

9. Upon Update or As Needed

   a. Management Contact List
   b. List of Subcontractors
   c. Tow Firm and Tow Operator Permit Verification

E. City Controller's Audits

1. The SFMTA reserves the right to conduct compliance or financial audits at any time during the term of this Agreement. Such audits may be conducted by the City Controller's Audit Division or by an independent auditing firm approved by both the Controller's Audit Division and the SFMTA. The scope of the audit may include, but is not limited to, the following:

   a. All monies collected by Contractor under this Agreement;

   b. A review of all Auction procedures, including Contractor's compliance with legal and contractual requirements for the lien sale process

   c. An assessment of Contractor's procedures to determine compliance with all terms and conditions of this Agreement.

2. If any Department of Motor Vehicles (DMV) reports relevant to Contractor's performance are not in Contractor's possession, Contractor shall execute a waiver authorizing the DMV to release such reports directly to the SFMTA.

3. Contractor shall provide the SFMTA with copies of any DMV reports or audits in its possession that relate to Contractor's practices or performance under this Agreement.

X. RECORDS RETENTION

Contractor shall retain Records and documentation listed below for the full duration of this Agreement. Upon request by the SFMTA, Contractor shall *provide copies of such Records and documentation within two business days of request.* **LD45**

1. Complete and accurate books, accounts, and documentation of financial transactions relating to all items of income received and expenses incurred in the performance of this Agreement;
2. Records of vehicles towed;
3. Records of vehicles stored;
4. Claims documentation;
5. Lien sale submission records;
6. Tow waivers submitted through the TVMS;
7. All monthly management and other reports that Contractor is required to submit to City under this Agreement;
8. Charts, diagrams, and other materials related to any City-owned property licensed to Contractor for use in fulfilling its obligations under this Agreement;
9. Any other documents or reports that the City may reasonably require Contractor to produce in the course of performing the Services under the Agreement.

XI. OPERATIONS MANUAL

A. Submission Requirements

Contractor shall develop or update and submit the plans listed below to the SFMTA for review and approval *within 90 days of the Notice to Proceed Date*. The SFMTA will review and return comments or edits within 60 days of receipt of all submitted plans. The SFMTA reserves the right to request additional updates or revisions to one or more plans at any time during the term of this Agreement. **LD46**

B. Maintenance of Operations Plan

The Contractor is responsible for maintaining an Operations Manual consisting of plans for various Services to be provided under this Agreement.

C. Plan Components

The Operations Manual shall include the following plans:

1. Tow Desk Plan

2. Online Auction Plan
3. SFPD Procedures Plan
4. Online and Onsite Auction Plan (including auctioneer)
5. Monetary Claims Processing Plan
6. Customer Service Complaint and Response Procedures Plan
7. Adjustment Procedures, Reconciliation, and Oversight Plan
8. Security and Personal Property Plan
9. Vehicle Valuation Plan
10. Facilities Management and Maintenance Plan
    a. Pollution prevention
    b. Preventative maintenance.
    c. Ensuring the acceptable condition of the premises if Contractor vacates the Facility.
    d. Safety, (including fire prevention regulations from the San Francisco Fire Department, and training for surveillance of the premises.
    e. Plans for future tenant Improvements.
    f. Outreach to residents in the immediate vicinity (Bayshore).
    g. Contractor shall add any plans submitted in their response to the Proposal for this Agreement to the Operations Manual.

XII. FEES, DEPOSITS, AND HANDLING OF MONIES

A. Contractor Fees to the SFMTA

Contractor shall submit monthly invoices to the SFMTA for fees as outlined [to be included in the Final Agreement].

B. Fees Collected on behalf of the SFMTA

Contractor shall collect all fees due on a particular vehicle prior to the release of the vehicle, except where specifically noted.

1. Administrative Towing and Storage Fees

Contractor shall collect SFMTA administrative, towing, and storage fees for all vehicles retrieved by the vehicle owner. The amount of these fees is subject to change in accordance with the provisions of San Francisco Transportation Code § 305.

2. Citation and Boot Fees

a. Contractor shall collect payments of Citation and boot fees from Customers with towed vehicles and from members of the public whose vehicles have not been towed, in accordance with all requirements set forth in this Agreement.

b. Before releasing a towed vehicle that has five or more delinquent Citations, Contractor must collect payment for all delinquent Citations before releasing the vehicle. When a towed vehicle has fewer than five delinquent Citations, Contractor may accept payment for any delinquent or non-delinquent Citations that the Customer wishes to pay. Payment of Citations is not required for a Customer to secure vehicle release if the vehicle has fewer than five delinquent Citations.

3. SFPD Traffic Offender's Fee

Contractor shall collect all Traffic Offender's Fees and provide a monthly report of Traffic Offender Fee amounts for the SFMTA.

C. Deposit Requirements

1. Contractor shall have effective controls to accurately collect and safeguard funds and demonstrate an adequate separation of duties.

2. Except as otherwise specified herein, Contractor shall deposit all funds collected under this Section XII within one business day of receipt into an account designated by the SFMTA, Monday through Friday, excluding weekends and holidays.

3. Any funds with a deadline for deposit that falls on a weekend or a holiday shall be deposited no later than the next business day.

4. All funds due to the SFMTA under this Section shall be paid by Contractor without prior demand by the SFMTA and without any deduction, setoff, or counterclaim whatsoever, except as expressly provided herein.

5. Should Contractor fail to deposit cash revenues on the next business day from the date collected, *Contractor shall reimburse the SFMTA for each calendar day that the deposit is delayed, plus the loss of interest for*. **LD47**

D. Payment Methods

Contractor shall accept the following payment methods:

1. Cash

a. Contractor shall reconcile all cash receipts on the following business day from the date collected. Contractor shall deposit all revenue into the SFMTA's designated account.

b. The Contractor may be excused from this provision in cases where delay occurred outside of Contractor's control (e.g., natural disaster, power loss, armored service pick up failure, etc.).

c. Contractor shall notify the SFMTA in writing when this occurs; describing any conditions that it alleges will excuse its performance.

d. Contractor shall keep an electronic copy of all procedures recorded for a minimum of 120 days. These recordings shall be made available to the SFMTA within one business day of the SFMTA's request.

e. All collected funds shall be shipped from Contractor's Facility via armored transport vehicle.

2. Debit and Credit Cards

a. Contractor shall accept debit and credit cards approved by the City: Discover, Visa, Master Card, and Amex.

b. The City will supply Contractor with credit card processing terminals and equipment. The Contractor is prohibited from using any credit card processing terminal or equipment not provided by the City.

c. Contractor shall route all credit card payments to the City's merchant account processor.

d. Contractor shall accept in-person credit card transactions only. The SFMTA reserves the right to approve in writing alternative methods of accepting credit card payments, including online or Interactive Voice Response (IVR) transactions. The Contractor is prohibited from accepting any credit card payments through a method that is not authorized by the City.

e. The City shall designate the gateway provider and reserves the right to change the gateway provider at any time during the term of the Agreement and the SFMTA may assume costs for gateway fees directly.

f. Upon notification, Contractor shall transition to the provider chosen by the City and will negotiate the transition period and charges associated with a change of gateway provider.

3. Checks

a. Contractor shall accept checks payment only from City-designated purchasers, including but not limited to auto dealers, dismantlers, Tow Firms, and insurance agencies. All check payments shall be routed directly to the City's designated account.

b. The City will supply and configure all the necessary check scanning and verification equipment and terminals. Contractor is prohibited from accepting any of the following: remotely created checks, faxed checks, check processed through any scanner not provided by the City, or checks submitted via any method not expressly approved by the City.

c. Contractor shall comply with all the preferred technical requirements established by the City and the City's designated banking institution.

E. Record Keeping

1. Contractor shall maintain complete and accurate electronic accounts and Records of all income received and expenses incurred in the performance of this Agreement, in accordance with generally accepted accounting principles (GAAP).
2. All such electronic accounts and Records shall be maintained in a format approved by the SFMTA and in compliance with San Francisco Administrative Code Section 67.29-7(c).

F. Payment Shortages

1. If Contractor fails to collect any amounts due from a Customer in accordance with this Agreement, Contractor shall be responsible for remitting to the SFMTA the full amount not collected.
2. Contractor shall follow any procedures required by the SFMTA to report overages or shortages. The SFMTA shall deduct any payment shortages from any monies due to Contractor.
3. Exceptions to this requirement are; 1) failure is caused solely by the negligence of SFMTA, 2) a failure of the Citation Management System, or 3) failure because vehicle sold at Auction and sale price is insufficient to pay all accrued City fees.
4. Contractor shall inform the Customer that in lieu of providing payment for fees, they have the option to surrender title to their vehicle to City to stop the accrual of storage fees and mitigate the total fees due. The Contractor must provide clear documentation of the following:
    a. Date of transfer
    b. Estimated Lien valuation (i.e., Lien 1, Lien 2, or Lien 3)
    c. Receipt of the following title transfer documents:
        i. Certificate of Title (signed by registered owner and legal owner)
        ii. Application of Duplicate Certificate of Title with current registration (for California only)
        iii. Bill of Sale
        iv. Lien Satisfied (this is required if the legal owner has not signed over title)
    d. A written statement that the Customer signs stating as follows:

        "I acknowledge that abandoning my vehicle or surrendering the certificate of title <u>does not</u> relieve me of any fees owed for towing, storage, or Citations in excess of the vehicle sale price, and that the remaining balance of fees owed for towing, storage, or Citations, if any, may be subject to collections."
5. Contractor shall submit documentation forms for surrender of title to the SFMTA for review and approval prior to distributing to the public.
6. All documentation shall be scanned and electronically attached to the TVMS.

G. General SFPD and SFMTA Waivers

1. Waiver Types.

Contractor shall recognize and apply the following waiver types when issued by the SFMTA or SFPD with proper authorization:

a. 305.B.1.A - Tow for evidence of crime
b. 305.b1.B - Tow not allowed by VC
c. 305.b.1.C - SFPD error
d. 305.b1.D - Tow to examine/remove parts
e. 305.b.2 - Stolen vehicle exemption
f. VC22850.5 - Repossession - no administrative fee
g. First Tow
h. Low Income Admin
i. Victim - Low Income
j. Override
k. Storage Grace Period
l. First Tow Rental
m. Homelessness
n. Victim - Homelessness
o. City Vehicle

2. Contractor shall accept tow waivers only when they are issued by the SFMTA or SFPD and accompanied by documented electronic or written approval by staff authorized by the SFMTA.
3. Application of waivers to Customer invoices must be processed exclusively by Customer Service Center staff only, and must be reviewed by the Customer Service Center's manager (or designee).
4. If, pursuant to a post-storage hearing held in accordance with California Vehicle Code § 22852, or as otherwise authorized under Section 303(b) of the San Francisco Transportation Code, the SFMTA or the SFPD determines that towing, storage, transfer, lien, and/or other related fees shall be waived for a particular vehicle, Contractor shall not charge any such fees to the owner or operator of the vehicle.
5. Contractor shall not grant waivers or adjudicate tows requested by the SFPD on behalf of the SFMTA unless the vehicle is under SFPD investigation.
6. Contractor shall ensure all waivers have valid approval, are properly documented, and all waiver transactions are fully auditable.
7. The list of authorized City waivers must be approved and maintained by the SFMTA.

8. Contractor shall create an "override" waiver type in the TVMS and assign override waiver authority exclusively to designated SFMTA staff. No other City agency shall be authorized to issue or apply "override" waivers.
9. Failure to adhere to waiver protocol in this section may result in the SFMTA deducting the waiver amount from monthly billings paid to Contractor.

H. Low-Income Reductions/Waivers

1. Contractor shall implement the following responsibilities for all Authorized Users accessing the Verification Database, which is maintained by the San Francisco Human Services Agency (HSA) and the Department of Homelessness and Supportive Housing (HSH).
2. Contractor shall access the Verification Database solely to confirm whether: (a) HSA has recently verified a Customer's income eligibility; or (b) HSH has recently verified a Customer's eligibility for HSH services. This access is intended to allow Contractor to rely on such prior verifications when determining a Customers eligibility for SFMTA-offered low-income discounts or fee waivers.
3. Contractor acknowledges that the Verification Database contains PPI and is proprietary to HSA, and agrees to safeguard PPI from unauthorized disclosures, including but not limited to keeping such PPI confidential, except to the extent disclosure is required to administer the SFMTA's low-income discount or fee waiver programs.
4. Contractor shall employ administrative, physical, and technical safeguards consistent with industry best practices to prevent unauthorized use or disclosure of PPI.
5. Contractor shall: protect against threats or hazards to the security or integrity of the Verification Database; provide privacy and security training related to PPI to all Authorized Users; prohibit Authorized Users from downloading, duplicating, or transferring PPI offsite without prior written authorization from the SFMTA.
6. Contractor shall notify the SFMTA within five calendar days of any suspected misuse, breach, or unauthorized access to the Verification Database or PPI.
7. In the event of any unauthorized use or disclosure of PPI, Contractor shall take prompt corrective action and all reasonable steps to mitigate any harmful effects.
8. Contractor shall provide SFMTA with a single point of contact to coordinate access to the Verification Database and ensure compliance, as follows:
    a. Provide the SFMTA with a list of names for each individual requesting access to the Verification Database access as an Authorized User.
    b. Ensure each Authorized User requesting access to the Verification Database signs the "HSA Data Systems Access Acknowledgment and Agreement Form," to be provided by the SFMTA.

c. Notify the SFMTA in writing within three business days of the change in employment or status of any Authorized User that is no longer authorized access to the Verification Database.

d. Ensure the Verification Database Authorized User passwords are not shared by or between Authorized Users.

e. Review the Verification Database User Guide with Authorized User for training and resolving HSA-HSH Verification Database issues.

f. Assist and cooperate with compliance reviews initiated by the SFMTA to audit Authorized User's access to, and use of, records from the Verification Database containing PPI.

APPENDIX A-1

LIQUIDATED DAMAGES

I. DEFINITIONS:

"Failure" or "Fail" shall refer to functionality described under the third column heading "Description of Failure" that falls short of the specified "Threshold for LD Assessment", located in the fourth column. The following items are excluded from the definition of Failure:

1. Unavoidable delays.
2. Failures that are solely caused by the negligent actions or inactions of SFMTA/ City departments or its contractors or subcontractors.
3. Failure of third-party providers of electrical power, internet access or cellular communications.

II. LIQUIDATED DAMAGES:

The SFMTA may deduct a sum representing the liquidated damages assessed from any money due to Contractor under this Agreement. Should an assessment take place, the SFMTA will send written notification to the Contractor for its information unless indicated in a specific item. Excess liquidated damages (over a monthly cap of 25% of that month's invoice) will be carried over to the following month. In no event shall liquidated damages exceed the total value of the Agreement.

If two or more Failures are determined for a particular event, the Contractor will be charged for the Failure with the highest assessment only.

Where, under the provisions below, SFMTA is required to issue a written warning after the first Failure to the Contractor prior to assessment of liquidated damages, the Contractor's obligation to repair, replace, adjust, or modify a Failure shall not commence until the date SFMTA issues such written warning. The written warning shall include a reasonable description of the nature of the Failure as known to SFMTA at the time. Any extensions to the cure period may be granted, but must be authorized by the SFMTA in writing.

Where, under the provisions below, SFMTA is not required to issue a written warning to Contractor prior to assessment of liquidated damages, SFMTA, as soon as practicable after the Failure, will send a written notice of assessment to Contractor, setting forth a reasonable description of the nature of the Failure, as known to SFMTA at the time, and the amount of the assessment.

See Section I of Appendix A – Scope of Services – for definitions as needed.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
CTION II – GENERAL SERVICE REQUIREMENTS					
1.	II.F.1.a.	Contractor fails to provide the complete list of Tow Firm subcontractors; or fails to provide an updated list with new or removed firms, including any Tow firm name changes.	No list received by 30 days after Notice to Proceed Date and/or no updated list is provided within 30 days of onboarding a new Tow Firm.	e SFMTA will issue a written warning for the first occurrence with one week to cure If no cure, the assessment will be $450. Further Failures will be assessed without warning at $450 per week until the list is received.	/ notification or request for updates.
2	II.F.1.c.i.	Contractor fails to make available electronic copies of all Tow Firm agreements and insurance verification upon request.	Tow Firm subcontracts and insurance verification are not provided within two business days after agency request.	e SFMTA will issue a written warning for the first occurrence with one week to cure. If no cure, the assessment will be $450. Further Failures will be assessed without warning at $450 per week until the subcontract and insurance information is received.	quest from SFMTA Operations Manager or designee.
3	II.F.1.d.ii.	Contractor fails to submit monthly reports to verify the validity of Tow Firm and Tow Truck Operator licenses and permits.	Report not received.	e SFMTA will issue a written warning for the first occurrence, with one week to cure. If no cure, the assessment will be $450. Further Failures will be assessed with warning at $450 per month until received.	quest from SFMTA Operations Manager or designee.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
4.	II.G.2.a.	Contractor fails to provide at least16 hours of completed employee customer service training for all employees including subcontractors that interact with the public.	The Contractor does not submit the required training completion certificates for all employees within 30 days of each subsequent anniversary of the date specified in the Notice to Proceed Date.	e SFMTA will issue a written warning. The Contractor shall have one month to cure. If no cure, the assessment will be $450 per month until certificates are received. Further Failures will be assessed with no written warming at $450 per month until received.	Receipt of verification by completion certificates or the equivalent.
5.	II.G.2.b.	Contractor fails to provide four hours of additional customer service "refresher" training to its employees within each subsequent contract year.	The Contractor does not submit the required training completion certificates for all employees within 30 days of each subsequent anniversary of the date specified in the Notice to Proceed Date.	e SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. If no cure, the assessment will be $450 per month until certificates are received. Further Failures will be assessed with no warning at $450 for each occurrence.	Receipt of verification by completion certificates or the equivalent.
6.	II.G.4.	Contractor fails to provide an electronic queueing system for the Primary Storage Facility's Customer Service lobby.	eueing system is not in place by the Notice to Proceed Date.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $450 per day until system is in place and fully functional. Further Failures will be assessed with no warning at $450 for each occurrence.	Written confirmation and demonstration.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
7.	II.G.5.a.iii.	Contractor does not meet service level requirements for responding to Customer service calls.	Less than 95% of Customers reach a live operator within three minutes of request; and less than 98% of Customers reach an operator within five minutes of request, within a calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If the Failure is not cured, the assessment will be $450. Additional failures will be assessed with no written warning at $450 for each month the Failure occurs.	Call Volume Report.
8.	II.G.5.b.i.	Contractor fails to establish and maintain one customer service phone line with an Interactive Voice Response system that the public may call for information regarding towed vehicles.	IVR system is not in place by the Notice to Proceed Date.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If the Failure is not cured, the assessment will be $450. Additional failures will be assessed with no written warning.at $450 for each week the Failure occurs.	Confirmation by testing that the IVR is in place.
9.	II.G.5.b.ii.	Contractor fails to answer IVR calls.	Customers are not connected to the IVR within 30 seconds.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If the Failure is not cured, the assessment will be $450. Additional failures will be assessed with no written warning at $450 for each month the Failure occurs.	Call Volume Report.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
10.	II.G.6.c.	Contractor fails to provide window service to Customers within the time required.	The average wait for service is longer than seven minutes or more within a calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning.at $450 for each month the Failure occurs.	Customer Queue Report.
11.	II.G.7.a.	Contractor fails to have a customer service manager available at all times.	Customer Service Manager is not available to monitor Customer Service lines, or to answer and resolve questions.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. For any future incidents when it is apparent no Customer Service Manager is onsite, assessment will be $450.	Complaints from Customers or Agencies working with Customer service window staff.
12.	II.G.9.a.	Contractor fails to create and maintain a website that provides general information to the Customer within the time required.	Website, as specified in scope of work is not available as of the Notice to Proceed Date.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $450 per week until the website is in place and fully functional.	Inability to access website

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
13.	II.H.1.a.	Contractor fails to purchase and install camera-based security systems in the Primary and Storage Facilities that can be accessed remotely by the SFMTA Operations Manager and any designees.	System is not installed by the Notice to Proceed Date.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one week to cure. If no cure, the assessment will be $600. Further Failures will be assessed at $600 for each week the Failure occurs, with no written warning.	Cameras are not visible in the all of the areas designated or SFMTA Operations Manager is not able to view camera(s) provided.
14.	II.H.2.b.	Tow Operators fails to photograph any damage observed on a vehicle prior to handling the vehicle.	Photos not made available within eight hours of intake.	The SFMTA will issue a written warning for the first occurrence. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 per occurrence.	Notification from agency requesting image.
15.	II.H.2.c.	Contractor fails to store images electronically for the prior year on a rolling basis.	Images not provided within two business days of an authorized City agency's request or, image is not available within the prior year of being stored.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning at $450 per occurrence=e.	Notification of requesting agency that images have not been received.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
16.	II.H.3.c.	Contractor fails to keep time-stamped audio recordings for the prior year on a rolling basis.	recording not provided within two business days of an authorized City agency's request or, recording is not available within the prior year of being stored.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning at $450 per occurrence.	Notification of requesting agency that recordings have not been received.
17.	II.I.2.a.	Contractor fails to provide a Global Positioning System (GPS) within the time required.	GPS is not operational as of the Notice to Proceed Date.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $450 per week until the website is in place and fully functional.	Written verification/ Failure to access GPS when needed.
18.	II.I.2.e.	Contractor fails to ensure that GPS recorded arrival location and the tow vehicle operator location are identical	Less than 95% of GPS recorded arrival location and tow vehicle operator location are identical during a calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $600. Further Failures will be assessed with no written warning at $600 for each month until resolved.	GPS Tracking Report and Vehicle Intake Report.
19.	II.I.3.b.i.	Contractor fails to provide a list of approved wireless handheld communications devices to Tow Operators.	List not issued as of the Notice to Proceed Date.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $450 per week until devices are distributed to all Tow Operators.	Written confirmation that handhelds were distributed.
SECTION III. TOWING REQUIREMENTS, TOW TYPES AND REQUIRED RESPONSE TIMES					

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
20.	III.A.4.i-iii.	• Tow Operator fails to arrive within 35 minutes during Peak Towing Hours, or • Within 25 minutes at any other time or • Within 10 minutes of the time designated for initiating a pre-scheduled tow.	Light duty tow requests equipment to the designated point of tow, within the applicable time limit for 90% of the requested tows within a calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 for each month.	Tow Response Report/ Enforcement Notification.
21.	III.A.5.i-iii.	• Tow Operator fails to arrive within 120 minutes during Peak Towing Hours, or • Within 90 minutes during non-peak hours • Within 10 minutes of the time designated for initiating a pre-scheduled tow	Failure to respond to at least 90% of Medium or Heavy duty tow requests within a calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 for each month.	Tow Response Report/ Enforcement Notification.
22.	III.A.7.a.	Contractor fails to answer telephone calls from SFMTA's Tow Desk.	Failure to respond within 90 seconds for 95% of calls in a given month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 for each month.	Tow Desk Notification/ Tow Response Report.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
23.	III.A.7.b.	Contractor's fails to assign a tow request to a Tow Firm or Tow Truck Operator within the time required.	Failure to assign a request within two minutes of receipt of request from the SFMTA's Tow Desk, at least 90% of the time within one calendar month, excluding requests modified by the requesting agency.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 for each month.	Tow Desk Notification/ Tow Response Report.
24	III.G.a.	Contractor fails to respond to tow locations outside the boundaries of City and County of San Francisco requests within the given time.	No response within two hours for a tow requested within 50 miles of San Francisco.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $600. Further Failures will be assessed with no written warning at $600 for each month the Failure occurs.	Tow Response report/ Requesting agency notification.
SECTION IV. GENERAL VEHICLE INTAKE PROCEDURES					

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
25.	IV.A.1-3	Contractor fails to meet timing requirements for tow request and tow completion input into the TVMS as follows below: a. A record of each dispatched tow request must be created in the TVMS within five minutes of receiving the request. b. Record of tow completion must be created in the TVMS within 15 minutes of towed vehicle arrival at the Primary Storage Facility	Timing requirements in this subsection 1 and 2 must be met in 95% of all tows within a calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 for each month.	Vehicle Intake Report (modified for monthly summary).
26	IV.D.2.e.	Contractor fails to submit a Police Department Procedures Plan.	quirement not met within 60 days of the Notice to Proceed Date.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. If no cure, the assessment will be $600. Further Failures will be assessed a with no written warning at $600 for each month the plan is not received.	No Police Department Plan is available.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
27.	IV.D.3.c.	Contractor fails to obtain written or electronic (through the TVMS) authorization from SFPD before releasing a vehicle under Investigative Hold.	ne.	No warning letter will be issued. Assessment will be $1,200 per incident.	Notification from SFPD or SFMTA Operations Manager review.
28.	IV.E.5.c.	Contractor fails to obtain written or electronic (through the TVMS) authorization from SFPD before releasing a vehicle under Administrative Hold.	ne.	No warning letter will be issued. Assessment will be $1,200 per incident.	Notification from SFPD or SFMTA Operations Manager review.
29.	IV.E.1.e.	Contractor fails to retrieve a vehicle for an authorized Customer from the Secondary Storage Facility within the time required.	A vehicle is not returned to Customer(s) within one hour on payment of fees associated with vehicle tow.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning at $450 per incident.	Customer Complaint and SFMTA verification.
30	IV.E.4.b.	Contractor error results in a vehicle's removal from a facility without payment of towing and storage fees.	None.	No warning letter will be issued. Assessment will be $1,200 per incident, plus full reimbursement of accrued towing and storage fees.	Notification from Contractor or City agency that a vehicle is no longer in in the Contractor's possession.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
31.	IV.E.4.c.	Contractor fails to resolve any claim within 60 days of the date submitted due to their vehicle being lost, stolen sold or disposed of while in the Contractor's possession.	None.	No warning letter will be issued. Assessment will be $1,200 per incident.	Claims Report, or customer notification.
SECTION V. LIEN SALE (AUCTION) REQUIREMENTS					
32.	V.A.1.	Contractor fails to assign a Lien category to a towed vehicle (except for SFPD Holds).	No lien category assigned within 72 hours of intake.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall two weeks. If no cure, the assessment will be $450. Further Failures will be assessed with no written warning at $450 for each month.	Review of bi-weekly Lien sale report.
33.	V.H.3.a-e	Contractor sells vehicle(s) to a restricted Auction participant who is prohibited by the City from purchasing vehicles at Auction, as listed in the a thru e subsections noted in this item.	None.	No warning letter will be issued. Assessment will be $1,200 per incident.	Periodic audits of restricted participants list.
SECTION VI. CLAIMS AND COMPLAINTS					

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
34.	VI.A.1.	Contractor fails to respond a Customer's Monetary Claim within the time required.	Does not respond to a Monetary Claim within seven days of receipt.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning at $450 per occurrence.	Customer notification/ Claim/Complaint Report
35.	VI.D.2.	Contractor fails to respond to Customer's Service Complaint within the time required.	Does not respond to a Service Complaint within three days of receipt.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning at $450 per occurrence.	Customer notification/ Claim/Complaint Report
36.	VI.D.6.	Contractor fails to respond to City agency requests to review records related to Customer complaints	Does not respond to Customer complaint records within three days of receipt.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning.at $450 per occurrence.	Customer notification/ Claim/Complaint Report
SECTION VII – TOWED VEHICLE MANAGEMENT SYSTEM					
37.	VII.A.4.	TVMS fails to be operational and available.	TVMS' availability falls below 98% for any individual calendar month, except in case of failure of third-party providers of electrical power, internet access, or cellular communications to provide service.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning at $1,200 per occurrence.	Notifications of system outage.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
38.	VII.D.2.	Contractor fails to electronically scan and file Tow Inventory Slips of all vehicles being towed.	Tow Inventory slips are not in the TVMS within eight hours of delivery to a storage facility.	The SFMTA will issue a written warning for the first occurrence. Further Failures will be assessed with no written warning.at $450 per occurrence.	Vehicle intake report; request for Record that shows a time discrepancy
39.	VII.G.1.	Contractor fails to establish an electronic vehicle inventory and vehicle locator system at both Primary and Secondary Storage facilities.	System is not established as of the Notice to Proceed Date.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. If no cure, the assessment will be $600. Further Failures will be assessed with no written warning at $600 for each month the Failure occurs.	SFMTA review at NTP date, or system is not functioning
40.	VII.I.1.	Contractor fails to integrate the TVMS with the SFPD's Computer-Aided Dispatch (CAD) system.	Within 180 days of establishing the interface design and joint project plan.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. If no cure, the assessment will be $600. Further Failures will be assessed with no written warning.at $600 for each month the Failure occurs.	Review of the joint project plan.
41.	VII.J.	Contractor fails to integrate the TVMS with to the SFMTA's handheld Citation issuance devices.	Within 180 days of establishing the interface design and joint project plan.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. If no cure, the assessment will be $600. Further Failures will be assessed with no written warning.at $600 for each month the Failure occurs.	Review of the joint project plan.

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
42.	VII.K.1.	Contractor fails to integrate the TVMS with to the SFMTA's Citation Management System.	Within 180 days of establishing the interface design and joint project plan.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure. If no cure, the assessment will be $600. Further Failures will be assessed with no written warning.at $600 for each month the Failure occurs.	Review of the joint project plan.
SECTION VIII – STORAGE AND CUSTOMER SERVICE FACILITIES					
43.	VIII.D.	Contractor dismantles, crushes or removes vehicle fluids at either storage facility.	None.	No warning will be issued. Contractor will be assessed $1,200 per incident, plus the cost to restore the area to pre-dismantling or vehicle fluid removal area.	Discovery by City while on facility premises.
SECTION IX – REPORTING					
44.	IX.C.	Contractor fails to produce reports requested by the public	Report are not provided within two business days of request	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $450 per each additional two business day-period that requested reports are not received. Further failures will be assessed with no written warning at $450 each incident.	City agency notification.
SECTION X – RECORDS RETENTION					

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
45.	X.	Contractor fails to provide requested documents.	Documents not provided within two business days of request.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $450 per for each two-day period that requested documents are not received. Further failures will be assessed with no written warning at $450 each.	City reports that documents requested were not received.
SECTION VII. OPERATIONS MANUAL					
46.	XI.A.	Contractor Fails to provide any plan element draft required for the Operations Manual, as described in Section VI.	Plan element is not provided within 90 days of the Notice to Proceed Date.	The SFMTA will issue a written warning. The Contractor shall have one week to cure. If no cure, the assessment will be $600 per week the plan element draft is not received.	Notification by Contract Monitor.
SECTION VIII. FEES, DEPOSITS AND HANDLING OF MONIES					
47.	XII.C.5.	Contractor fails to deposit all funds collected as listed in this section	Deposits not received in SFMTA's designated account within one business day.	The SFMTA will issue a written warning. The Contractor shall have one business day to cure. If no cure, the assessment will be $450 per calendar day deposit is delayed plus the loss of interest.	Deposit records.

Sample License Agreement – Primary Storage Facility

REVOCABLE LICENSE TO ENTER AND USE PROPERTY

THIS REVOCABLE LICENSE TO ENTER AND USE PROPERTY ("License"), between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), acting by and through its Municipal Transportation Agency ("SFMTA"), and [insert contractor name] ("Licensee"), and dated as of October 1, 2016 is Appendix F to the Agreement for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles between City and Licensee, dated for convenience as April 1, 2016 (the "Towing Agreement), which is incorporated herein by reference as if fully set forth herein.

RECITALS

This License is made with reference to the following facts:

A. City and Licensee are parties to the Towing Agreement for the towing and storage of abandoned and illegally parked vehicles.

B. City leases that certain real property commonly known as 450 7th Street, Parcel FLA 04-SF-80-11, San Francisco, California (the "Property") from State of California, Department of Transportation ("Caltrans") pursuant to an SF Parking Airspace Lease between City and Caltrans dated as of October 1, 2016, a copy of which is attached to this License as Attachment 1 (the "Lease").

C. City wishes to grant Licensee a license to use a portion of the Property shown on Attachment 2 (the "Premises"), pursuant to a revocable license between Licensee and City, to operate a Primary Storage Facility for towed vehicles as contemplated by the Towing Agreement.

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

AGREEMENT

Article 1 BASIC LICENSE INFORMATION

The following is a summary of Basic License information (the "Basic License Information"). Each item below shall be deemed to incorporate all of the terms in this License pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this License, the more specific provision shall control.

Licensor:	CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION
Licensee:	[INSERT CONTRACTOR NAME]

Property (Section 2.1):	That certain real property commonly known as 450 7th Street, San Francisco, California, as fully described in Exhibit A to the Lease (the "Property").
Building (Section 2.1):	The building located on the Property.
Premises (Section 2.1):	The portions of the Property and Building depicted on Attachment 2 that are not designated for the SFPD, and comprised of approximately 119,002 square feet.
Term (Section 4):	Commencement Date: October 1, 2016. Expiration Date: March 31, 2021, subject to any extension pursuant to Section 4.1.2 or any earlier termination of this License pursuant to the terms hereof.
Rent:	No rent is required for Licensee's use of the Premises pursuant to this License.
Permitted Use (Section 6.1):	Parking space for the storage and transfer of vehicles towed under the Towing Agreement, customer service center, dispatch of tow trucks, and office space for the administration of Licensee's operations under the Towing Agreement.
Utilities and Services (Section 10):	Obtained and paid by Licensee at its sole cost.
Security (Section 6.5):	Licensee shall be solely responsible for the security of the Premises.
Security Deposit (Section 17.4):	Provided under Sections 4.9 and 4.14 of the Towing Agreement.
Environmental Oversight Deposit (Section 24.11):	Provided under Section 4.16 of the Towing Agreement
Notices to the Parties: (Section 25.1)	Any notice, demand, consent or approval required under this License must be sent by first class certified U.S. mail with return receipt requested, or by overnight courier, return receipt requested, with postage pre-paid. All other written communications, unless otherwise indicated elsewhere in this License, may be by first class U.S. mail, by email, or by facsimile. All communications related to this License shall be addressed as follows:
To Licensee:	[insert contractor name, address, and contact information]
To City:	City and County of San Francisco Attention: Lorraine Fuqua 1 South Van Ness Avenue, Third Floor San Francisco, CA 94102 telephone: 415-701-4678 facsimile: 415-701-4736 Email: lorraine.fuqua@sfmta.com

Article 2 PREMISES

2.1 License Premises.

2.1.1 City confers to Licensee a revocable, personal, non-exclusive and non-possessory privilege to enter upon and use those certain premises identified in the Basic License Information and shown on Attachment 2, attached hereto and incorporated by reference as though fully set forth herein (collectively, the "Premises"), for the limited purpose and subject to the terms, conditions and restrictions set forth below. This License gives Licensee a license only, revocable at any time at the will of City, and notwithstanding anything to the contrary herein, this License does not constitute a grant by City of any ownership, leasehold, easement or other property interest or estate whatsoever in the Premises, or any portion thereof. The privilege given to Licensee under this License is effective only insofar as the rights of City in the Premises are concerned, and Licensee shall obtain any further permission necessary because of any other existing rights affecting the Premises. The area of the Premises specified in the Basic License Information shall be conclusive for all purposes hereof. The Premises shall include the land upon which the Premises is located and all other improvements on and appurtenances to such land.

2.1.2 City may, at City's sole and absolute discretion, relocate Licensee from any portion or all of the Premises to another location on the Property or other City property that City in its sole and absolute discretion deems suitable for the uses permitted hereunder; provided that such relocation shall not materially interfere with Licensee's ability to meet its obligations under the Towing Agreement. City shall arrange and pay for moving Licensee's equipment and personal property from the Premises to such new space. Once City completes such move, Licensee shall commence its Towing Agreement operations at the new space and the new location shall become part or all of the Premises hereunder. Licensee shall enter into any amendment requested by City to reflect such new location.

2.1.3 City may, at City's sole and absolute discretion, modify the original configuration of the Premises; provided that such modification shall not materially interfere with Licensee's ability to meet its obligations under the Towing Agreement, unless such modification is required under the Lease.

2.1.4 Licensee acknowledges that the interest of City in the Premises is limited to those rights conveyed to City pursuant to the Lease. Licensee hereby agrees to assume all responsibility for and be bound by all covenants, terms and conditions made by or applicable to City under the Lease, and shall not take any actions that would cause the City to be in default under the Lease. In the event there are any inconsistencies between the provisions of this License and the Lease, the provisions of the Lease shall govern Licensee's use of the Premises hereunder.

2.2 Subordinate to Lease. This License is expressly made subject and subordinate to all the terms, covenants and conditions of the Lease, which are incorporated herein by reference (collectively, the "Lease Terms"). Licensee agrees to use the Premises in accordance with the

Lease Terms and not take or fail to take any act that City would be required to not take or take under the Lease to comply with the Lease Terms.

2.3 Performance of Lease Obligations. Licensee further agrees to assume the obligation for performance of all City's obligations under the Lease with respect to the Premises, except as may be specifically modified by this License and excluding City's obligation to pay rent to Caltrans under the Lease.

2.4 Amendments to Lease. Licensee agrees that City shall have the right to enter into amendments or modifications to the Lease without Licensee's prior written consent; provided, however, that if such proposed amendment or modification would materially affect Licensee's rights under this License, Licensee shall not be subject to such amendment or modification unless it consents to be subject thereto in writing. In the event Licensee fails within fifteen (15) business days to respond in writing to City's written request for such consent, then Licensee shall be deemed without further notice to have consented to City's request for consent.

2.5 Contact with Caltrans. Licensee has no authority to contact Caltrans or make any agreement with Caltrans concerning the Premises or the Lease without City's prior written consent, and Licensee shall make payments of any charges payable by Licensee under this License only to City.

2.6 Caltrans Duties. The Lease describes Caltrans' duties with respect to the Property. City is not obligated to perform such Caltrans'' duties. If Caltrans fails to perform its duties, Licensee shall provide notice to City. In no event shall City incur any liability, or otherwise be responsible, nor shall there be any set-off, deduction or abatement of any amounts owed by Licensee to City pursuant to this License arising from Caltrans' failure to comply with its duties.

2.7 Termination of Lease. If the Lease is terminated for any reason during the Term, this License shall automatically terminate as of such Lease termination date.

Article 3 INSPECTION OF PROPERTY; AS IS CONDITION

3.1 Inspection of Premises. Licensee represents and warrants that Licensee has conducted a thorough and diligent inspection and investigation of the Property and the suitability of the Premises for Licensee's intended use, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them. Licensee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises is suitable for its operations and intended uses.

3.2 As Is Condition. WITHOUT WAIVING ANY OF LICENSEE'S RIGHTS ESTABLISHED IN SECTIONS 0 AND 24.8 BELOW, LICENSEE ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LICENSED AND HAVE BEEN ACCEPTED IN THEIR "AS IS" AND "WITH ALL FAULTS" CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES GOVERNING THEIR USE, OCCUPANCY AND POSSESSION. LICENSEE ACKNOWLEDGES AND AGREES THAT

NEITHER CITY NOR ANY OF ITS AGENTS HAVE MADE, AND CITY HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE RENTABLE AREA OF THE PREMISES, THE PHYSICAL, SEISMOLOGICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES OR THE PROPERTY, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR LICENSEE'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING, WITHOUT LIMITATION, AND IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3.3 Accessibility Inspection Disclosure. Licensee is hereby advised that the Premises have not been inspected by a Certified Access Specialist under California Civil Code Section 1938.

Article 4 LICENSE TERM

4.1 Term.

4.1.1 The privilege given to Licensee pursuant to this License is temporary only and shall commence upon the Commencement Date (as described in the Basic License Information) and shall terminate on March 31, 2021, subject to extension pursuant to Section 4.1.2, or the date of earlier termination of this License pursuant to the terms of this License or the Towing Agreement (the "Expiration Date"). Without limiting any of its rights hereunder, City may at its sole option freely revoke this License at any time, without cause and without any obligation to pay any consideration to Licensee.

4.1.2 The original term of the Towing Agreement ends on March 31, 2021, subject to City's right to extend such term by up to five (5) years. If City extends the term of the Towing Agreement pursuant to Section 2.2 of the Towing Agreement, the term of this License shall be automatically extended to be the last day of the Towing Agreement term, and the word "Term" as used herein shall refer to the original five (5) year term and any extended term resulting from City's extension of the term of the Towing Agreement.

4.2 Early Termination. Without limiting any of its rights hereunder, City may at its sole option freely terminate this License as to all or a portion of the Premises without cause and without any obligation to pay any consideration to Licensee

Article 5 FEES AND CHARGES

5.1 Rent. Licensee shall pay no rent to City for use of the Premises pursuant to this License; provided, however, that Licensee shall make the payments otherwise owed by Licensee to City pursuant to this License, including, but not limited to, any amounts owed to City pursuant to Sections 6.6, 9.1, 10.2, 17.3, and 24.11 of this License.

5.2 Late Charges. Notwithstanding that Licensee will pay no rent, Licensee is obligated to make other payments to City pursuant to this License. If Licensee fails to pay all or any portion of any payment to be made by Licensee to City pursuant to this License within five (5) days following the due date for such payment, such unpaid amount shall be subject to a late payment

charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by City and Licensee, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result of any such failure by Licensee, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate City for its damages resulting from such failure to pay and shall be paid to City together with such unpaid amount.

5.3 Default Interest. Any payment to be made by Licensee to City pursuant to this License, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law. However, interest shall not be payable on late charges incurred by Licensee nor on any amounts on which late charges are paid by Licensee to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Licensee.

5.4 Deduction from Amounts Due. In the event Licensee fails to pay any payment due hereunder for more than ten (10) days following the due date, City may deduct and withhold the amount of such payment, together with the amount of applicable late charges and default interest as provided herein, from any monies in City's possession due Licensee pursuant to the Towing Agreement.

Article 6 USE OF PREMISES

6.1 Permitted Use. Licensee shall use and continuously occupy the Premises during the Term solely for temporary storage and transfer of vehicles, customer service operations, dispatch of tow trucks, and related office use as necessary to meet its obligations under the Towing Agreement and for such other uses, if any, as may be specified in the Basic License Information, all to the extent permitted under the Lease Terms. Except as provided below, Licensee shall not use the Premises for any other purpose without the prior written approval of City, including, without limitation, the following: (a) crushing or dismantling; (b) maintenance or fueling of vehicles, except as otherwise may be permitted under the Maintenance Plan (as defined in Section 22); (c) selling vehicle parts from the Premises; (d) parking or storage of vehicles not covered under the Towing Agreement; or (e) parking for Licensee's employees, without the prior written approval of City and subject to availability of space necessary to fully perform Licensee's obligations under the Towing Agreement. All available space for vehicle parking shall be used for the purposes set forth in the Towing Agreement, except as otherwise expressly approved by City pursuant to this License. The washing of vehicles shall be with cleansing agents that are biodegradable and non-toxic, and shall be in compliance with the Maintenance Plan. No advertising or signage may be placed in or about the Premises without the prior written permission of City.

6.2 Use of Equipment and Machinery. Licensee shall have the right to place on the Premises all necessary equipment and machinery in connection with the permitted use of the Premises. It is understood and agreed that City is not responsible for loss of or damage to any

Licensee-owned equipment herein involved, unless caused by the sole negligence of City's officers, agents, and employees.

6.3 Limitation to Described Purpose. Licensee may occupy and use the Premises solely for the purpose of fulfilling its obligations under the Towing Agreement to store any vehicles towed pursuant to the terms of the Towing Agreement, and for incidental purposes related thereto. Adequate drop-off space must be provided so that tow and transport trucks can load and unload on the Premises. No loading, unloading, queuing, parking or storage of vehicles will be permitted on any remaining portion of the Property or any public streets or rights-of-way adjacent to the Property. All storage activities authorized by this License shall be restricted to the designated enclosed and visually screened area. Any use of the Premises by Licensee shall be subject to the requirements of the Maintenance Plan.

6.4 No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Licensee shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Licensee shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Licensee shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property without the prior written permission of City.

6.5 Security. Licensee shall at all times provide security at a level acceptable to the City to protect the Premises and all vehicles stored therein, and the persons and property of owners of towed vehicles, against damage, injury, theft or other loss.

6.6 Fines. Without limiting City's other rights and remedies set forth in this License, if Licensee violates any of the following provisions governing its use of the Premises contained in this License or the Towing Agreement, City may impose a fine of $300 per day during which Licensee is in violation of any of the specified provisions: Sections 2, 6, 7, 8, 11, 19, 22, and 24 of this License; and Sections 4.9 through 4.16 of the Towing Agreement. City may also impose this fine for Licensee's failure to submit any documents, reports or other items as and when required by any provision of this License.

The fines described in this Section 6.6 shall run from the date of City's notice to Licensee of the violation and shall continue until the violation is cured. All such accrued amounts under this Section shall be payable to City on the first day of each month during the period that such fines accrue by wire transfer to a bank account specified by City in writing unless otherwise specified herein. The parties agree that the charges described above represent a fair and reasonable estimate of the administrative cost and expense which City will incur due to such violations by reason of its inspections, issuance of charges and other costs.

If City initiates notice of a fine under this Section, Licensee may appeal such charge to SFMTA's Director of Transportation within fourteen (14) days of the notice with evidence supporting Licensee's claim for relief from the fine imposed. SFMTA's Director of Transportation will respond within fourteen (14) days. Any failure of SFMTA's Director of

Transportation to respond within the fourteen (14) day period shall be deemed a rejection of Licensee's claim for relief from the disputed fine. The provisions of Section 11.6.1 of the Towing Agreement shall not apply to fines imposed under this Section.

City's right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights under this License or at law or in equity; provided, however, that City agrees that if there is an Event of Default (as defined in Section 17 of this License), it will no longer impose any new fine with respect to such Event of Default. City shall have no obligation to Licensee to impose fines on or otherwise take action against any other person.

Article 7 ALTERATIONS

7.1 Licensee's Alterations. Licensee shall not make, nor cause or suffer to be made, any alterations, installations, improvements, or additions to any improvements or to the Premises (including demolition or removal), installations, additions or improvements to the Premises, including but not limited to the installation of any appurtenances or trade fixtures affixed to the Premises, constructed by or on behalf of Licensee pursuant to the Towing Agreement, or any trailers, signs, roads, trails, driveways, parking areas, curbs, walks fences walls, stairs, poles, plantings or landscaping, (collectively, "Improvements" or Alterations," which words are interchangeable as used in this License) without first obtaining City's written approval and any required approvals of regulatory agencies having jurisdiction over the Premises. All Alterations shall be done at Licensee's expense in accordance with plans and specifications approved by City, only by duly licensed and bonded contractors or mechanics approved by City, and subject to any conditions that City may reasonably impose. City may require Licensee, at Licensee's expense, to obtain the prior written approval of City's Arts Commission with respect to any Alterations, to the extent the Arts Commission has jurisdiction over the design of such proposed alterations under City's Charter Section 5.103. All Alterations shall be subject to the following conditions:

7.1.1 All Alterations shall be constructed in a good and workerlike manner and in compliance with all applicable building, zoning and other laws, and in compliance with the terms of and the conditions imposed in any regulatory approval;

7.1.2 All Alterations shall be performed with reasonable dispatch, delays beyond the reasonable control of Licensee excepted; and

7.1.3 At the completion of the construction of the Alterations, Licensee shall furnish one (1) set of "as-built" drawings of the same made on or to the Premises. Unless otherwise stated as a condition of the regulatory approval, this requirement may be fulfilled by the submittal after completion of the Alterations of a hand-corrected copy of the approved permit drawing(s).

7.2 Title to Improvements. Except for Licensee's Personal Property (as defined in Section 7.3), or as may be specifically provided to the contrary in approved plans, all Alterations, equipment, or other property attached or affixed to or installed in the Premises at the Commencement Date or, by Licensee with the advance approval of City during the Term, shall,

at City's sole discretion, remain City's property without compensation to Licensee or be removed at the termination of this License. Licensee may not remove any such Alterations at any time during or after the Term unless City so requests pursuant to Section 23 (Surrender of Premises), below.

7.3 Licensee's Personal Property. All furniture, trade fixtures, office equipment and articles of movable personal property installed in the Premises by or for the account of Licensee, without expense to City, and that can be removed without structural or other damage to the Premises (collectively, "Licensee's Personal Property") shall be and remain Licensee's property. Licensee may remove Licensee's Personal Property at any time during the Term, subject to the provisions of Section 23 (Surrender of Premises), below. Licensee shall pay any taxes or other impositions levied or assessed upon Licensee's Personal Property, at least ten (10) days prior to delinquency, and shall deliver satisfactory evidence of such payment to City upon request.

7.4 City's Alterations of the Building and Building Systems. City reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas of the Premises or any other part of the Building or the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical and communications systems located at the Premises ("Building Systems"), provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the Permitted Use set forth in Section 6.1 (Permitted Use) unless otherwise required under the Lease.

7.5 Removal of Alterations. At City's election made in accordance with this Section 7.5, Licensee shall be obligated at its own expense to remove and relocate or demolish and remove (as Licensee may choose) any or all Alterations which Licensee has made to the Premises, including without limitation all telephone wiring and equipment installed by Licensee. Licensee shall repair, at its own expense, in good workerlike fashion any damage occasioned thereby.

7.5.1 Notice of Removal. Prior to the termination of this License, City shall give written notice to Licensee specifying the Alterations or portions thereof that Licensee shall be required to remove and relocate or demolish and remove from the Premises, in accordance with this Section 7.5 (herein "Notice of Removal"). If termination is the result of loss or destruction of the Premises or any improvements thereon, City shall deliver said Notice of Removal to Licensee within a reasonable time after the loss or destruction. If Licensee fails to complete such demolition or removal on or before the termination of this License, City may perform such removal or demolition at Licensee's expense, and Licensee shall reimburse City upon demand therefor.

7.5.2 Removal of Non-Permitted Improvements. If Licensee constructs any Alterations to the Premises without City's prior written consent or without complying with this Section 7, then, in addition to any other remedy available to City, City may require Licensee to remove, at Licensee's expense, any or all such Alterations and to repair, at Licensee's expense and in good workerlike fashion, any damage occasioned thereby. Licensee shall pay any special

inspection fees required by the City for inspecting any Alterations performed by or for Licensee without required permits.

7.5.3 Alterations Not Subject to Removal. In conjunction with a request to make an Alteration under Section 7.1 above, Licensee may submit a request for a City determination of whether a proposed Alteration would or would not be required to be removed upon expiration or termination of this License. Licensee acknowledges that such a determination will be based, in part, on whether Caltrans would require the removal of the proposed Alteration upon expiration or termination of the Lease. This Section 7.5.3 shall not apply to Alterations that are required by any regulatory authority to conform the Premises or any building thereon to a requirement of statute, ordinance or regulation.

Article 8 REPAIRS AND MAINTENANCE

8.1 Licensee's Repairs. Licensee shall maintain, at its sole expense, the Premises in good repair and working order and in a clean, secure, safe and sanitary condition. Licensee shall promptly make all repairs and replacements: (a) at its sole expense, (b) by licensed contractors or qualified mechanics approved by City, (c) so that the same shall be at least equal in quality, value and utility to the original work or installation, (d) in a manner and using equipment and materials that will not interfere with or impair the use or occupation of the Premises, and I in accordance with the Lease and all applicable laws, rules and regulations (collectively, "Applicable Law"). Licensee hereby waives all rights to make repairs at City's expense under Sections 1941 and 1942 of the California Civil Code or under any similar law, statute or ordinance now or hereafter in effect.

8.2 Removal of Refuse. All refuse, including tires, non-salvageable vehicle parts and litter, shall be removed from the Premises on a regular basis by an authorized refuse collection company. All trash areas shall be effectively screened from view and maintained in orderly manner. All trash and refuse containers shall be maintained in approved enclosures.

8.3 Storm Water Pollution Prevention. Licensee agrees to effect mechanisms to control storm water pollution at the Premises to the reasonable satisfaction of City, which mechanism may include (by way of example and not limitation) good housekeeping and materials management practices, preventing run-on and run-off from materials storage areas, maintenance areas, or areas where contaminants may be present, installation and maintenance of catchments or absorbent pads in storm water drains located at or servicing the Premises, or other pollution prevention practices appropriate to the facility and operations. Documentation of Licensee's pollution prevention practices shall be provided as part of the Maintenance Plan. Licensee shall comply with all storm water pollution control regulations applicable to the Property, including those set forth in Section 5.11 of the Lease, and shall prepare and submit all storm water permit applications and storm water pollution control plans required for the Premises under any Applicable Law.

8.4 Repair of Any Damage. In the event that damage to any of the improvements to the Premises which are Licensee's obligation to maintain by reason of ordinary wear and tear or

deterioration results in such improvements not meeting the standard of maintenance required by City for such uses as Licensee is making of the Premises, then Licensee shall have the independent responsibility for, and shall promptly undertake such maintenance or repair and complete the same with due diligence. If Licensee fails to do so after reasonable notice in writing from City, then in addition to any other remedy available to City, City may make such maintenance or repairs and Licensee shall reimburse City therefor. The City, in its sole discretion, may obtain reimbursement for damages from the Performance Surety Bond. Should the City obtain reimbursement for damages from the Performance Surety Bond, Licensee shall promptly restore the Performance Surety Bond to its original amount.

Article 9 LIENS AND ENCUMBRANCES

9.1 Liens. Licensee shall keep the Premises and the rest of the Property free from any liens arising out of any work performed, material furnished or obligations incurred by or for Licensee. In the event Licensee does not, within twenty (20) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, City shall have, in addition to all other remedies, the right, but not the obligation, to cause the lien to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by City and all expenses reasonably incurred by it in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to City by Licensee within thirty (30) days of demand by City. City shall have the right to post on the Premises any notices that City may deem proper for the protection of City, the Premises from mechanics' and materialmen's liens. Licensee shall give to City at least fifteen (15) days' prior written notice of commencement of any repair or construction on the Premises.

9.2 Encumbrances. Licensee shall not create, permit or suffer any liens or encumbrances affecting any portion of the Premises, the Property or City's interest therein or under this License.

Article 10 UTILITIES AND SERVICES

10.1 Utilities and Services. Sewer, water, janitor service, telecommunications services and any other utilities or services shall be acquired and paid by Licensee, including the initial hook up to said utilities and services.

10.2 Utility Maintenance. Licensee shall be obligated, at its sole cost and expense, to repair and maintain in good operating condition all utilities located within the Premises and all utilities installed by Licensee (whether within or outside the Premises). If Licensee requests City to perform such maintenance or repair, whether emergency or routine, City may charge Licensee for the cost of the work performed at the then prevailing standard rates, and Licensee agrees to pay said charges to City promptly upon billing. Licensee shall pay for repair of utilities located outside the Premises (regardless of who installed the same) which are damaged by or adversely affected by Licensee's use of such utility and shall be responsible for all damages, liabilities and claims arising therefrom. The parties agree that any and all utility improvements shall become part of the realty and are not trade fixtures.

10.3 Mandatory or Voluntary Restrictions. . In the event any law, ordinance, code or governmental or regulatory guideline imposes mandatory or voluntary controls on City or the Property or any part thereof, relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions, or the provision of any other utility or service provided with respect to this License, or in the event City is required or elects to make alterations to any part of the Building in order to comply with such mandatory or voluntary controls or guidelines, such compliance and the making of such alterations shall in no event entitle Licensee to any damages, relieve Licensee of the obligation to perform each of its other covenants hereunder or constitute or be construed as a constructive or other eviction of Licensee. City shall have the right at any time to install a water meter in the Premises or otherwise to measure the amount of water consumed on the Premises, and the cost of such meter or other corrective measures and the installation and maintenance thereof shall be paid for by Licensee.

Article 11 COMPLIANCE WITH LAWS AND RISK MANAGEMENT REQUIREMENTS

11.1 Compliance with Laws.

11.1.1 Licensee shall promptly comply, at its sole expense, with all present or future laws, judicial decisions, orders, regulations and requirements of all governmental authorities relating to the Premises or the use or occupancy thereof, whether in effect at the time of the execution of this License or adopted at any time thereafter and whether or not within the present contemplation of the parties.

11.1.2 Licensee further understands and agrees that it is Licensee's obligation, at its sole cost, to cause the Premises and Licensee's uses thereof to be conducted in compliance with the Americans with Disabilities Act, 42 U.S.C.A.§§ 12101 et seq. and any other disability access laws, rules, and regulations. Licensee shall not be required to make any structural alterations in order to comply with such laws unless such alterations shall be occasioned, in whole or in part, directly or indirectly, by Licensee's Alterations, Licensee's manner of using the Premises, or any act or omission of Licensee, its Agents or Invitees. Any Alteration made by or on behalf of Licensee pursuant to the provisions of this Section shall comply with the provisions of Section 8.1 (Licensee's Repairs), above.

11.1.3 Licensee shall comply with all Fire Code requirements in its use and occupancy of the Premises.

11.1.4 The parties acknowledge and agree that Licensee's obligation to comply with all laws as provided herein is a material part of the bargained for consideration under this License. Licensee's obligation under this Section shall include, without limitation, the responsibility of Licensee to comply with Applicable Law by making substantial or structural repairs and modifications to the Premises (including any of Licensee's Alterations), regardless of, among other factors, the relationship of the cost of curative action to the fee under this License, the relative benefit of the repairs to Licensee or City and the degree to which the curative action may interfere with Licensee's use or enjoyment of the Premises. This section

shall not apply to any non-compliance with laws relating to changes in use or configuration of the Premises requested by City.

11.2 Regulatory Approvals.

11.2.1 Responsible Party. Licensee understands and agrees that Licensee's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Licensee shall be solely responsible for obtaining any and all such regulatory approvals. Licensee shall not seek any regulatory approval without first obtaining the written consent of City hereunder. Licensee shall bear all costs associated with applying for and obtaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval, other than any conditions that may arise out of Hazardous Materials in, on, or under any part of the Building or other portion of the Premises that were present immediately prior to July 1, 2016, to the extent that such regulatory conditions relate to property conditions existing at such time, and except to the extent that the regulatory conditions relate to Licensee's exacerbation of any pre-existing condition; provided, however, that City shall not be required to engage in any work or incur any costs necessary to secure any regulatory approval or satisfy any condition imposed by a regulatory agency. Any fines or penalties levied as a result of Licensee's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Licensee, and City shall have no liability, monetary or otherwise, for any such fines or penalties. As defined in Section 18.2 herein, Licensee shall Indemnify City and the other Indemnified Parties hereunder against all Losses arising in connection with Licensee's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.2.2 City Acting as Leasehold Owner of Real Property. Licensee further understands and agrees that City is entering into this License in its capacity as a leasehold owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Nothing in this License shall limit in any way Licensee's obligation to obtain any required approvals from City departments, boards, agencies, or commissions having jurisdiction over the Premises or Licensee's activities at the Premises. By entering into this License, City is in no way modifying or limiting Licensee's obligation to cause the Premises to be used and occupied in accordance with all Applicable Law, as provided further above.

11.3 Compliance with City's Risk Management Requirements. Licensee shall not do anything, or permit anything to be done, in or about the Premises which would be prohibited by or increase the rates under a standard form fire insurance policy or subject City to potential premises liability. Licensee shall faithfully observe, at its expense, any and all requirements of City's Risk Manager with respect to Licensee's use and occupancy of the Premises, so long as such requirements do not unreasonably interfere with Licensee's use of the Premises.

Article 12 SUBORDINATION

This License is and shall be subordinate to the Lease (including Caltrans' rights and City's obligations thereunder) and any reciprocal easement agreement, ground lease, facilities lease or other underlying leases or licenses and the lien of any mortgage or deed of trust, that may now exist or hereafter be executed affecting the Property, or any part thereof, or City's interest therein. Notwithstanding the foregoing, City or the holder shall have the right to subordinate any such interests to this License. Licensee agrees, however, to execute and deliver, upon demand by City and in the form requested by City, any additional documents evidencing the priority or subordination of this License.

Article 13 INABILITY TO PERFORM

If City is unable to perform or is delayed in performing any of City's obligations under this License, by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials or by any other reason beyond City's reasonable control, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or entitle Licensee to any abatement or diminution of fee or relieve Licensee from any of its obligations under this License, or impose any liability upon City or its Agents by reason of inconvenience, annoyance, interruption, injury or loss to or interference with Licensee's business or use and occupancy or quiet enjoyment of the Premises or any loss or damage occasioned thereby. Licensee hereby waives and releases any right to terminate this License under Section 1932, subdivision 1 of the California Civil Code or any similar law, statute or ordinance now or hereafter in effect.

Article 14 DAMAGE AND DESTRUCTION

If all or any portion of the Premises is damaged by fire or other casualty, City shall have no obligation to repair the Premises. City shall provide Licensee with a copy of the notice City receives from Caltrans of Caltrans' estimated time to restore such damage (the "Caltrans Repair Notice") within ten (10) days of City's receipt of the Caltrans Repair Notice. If the restoration time set forth in the Caltrans Repair Notice (the "Repair Period") is estimated to exceed two hundred ten (210) days, City shall have the right to terminate this License by delivering written notice of such termination to Licensee within thirty (30) days of City's delivery of the Caltrans Repair Notice to Licensee, in which event this License shall terminate as of the date specified in such termination notice.

If at any time during the last twelve (12) months of the Term of this License all or any portion of the Premises is damaged or destroyed, then Licensee may terminate this License by giving written notice to City of its election to do so within thirty (30) days after the date of the occurrence of such damage; provided, however, Licensee may terminate only if such damage or destruction substantially impairs its use or occupancy of the Premises for general office purposes. The effective date of termination shall be specified in the notice of termination, which date shall not be more than thirty (30) days from the date of the notice.

14.1 City Repairs. Notwithstanding anything to the contrary in this License, City shall have no obligation to repair the Premises in the event the damage or destruction, and in no event shall City be required to repair any damage to Licensee's Personal Property or any paneling,

decorations, railings, floor coverings, or any Alterations installed or made on the Premises by or at the expense of Licensee.

14.2 Termination by City. In the event the Premises are substantially damaged or destroyed, Caltrans intends to restore the Premises pursuant to the Lease, and City intends to use the restored Premises for public purposes inconsistent with this License, City may terminate this License upon written notice to Licensee.

14.3 Licensee Waiver. City and Licensee intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, City and Licensee each hereby waives the provisions of Section 1932, subdivision 2, Section 1933, subdivision 4, Section 1941, and Section 1942 of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect, to the extent such provisions apply.

Article 15 EMINENT DOMAIN

15.1 Definitions.

15.1.1 "Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

15.1.2 "Date of Taking" means the earlier of (i) the date upon which title to the portion of the Premises taken passes to and vests in the condemner or (ii) the date on which Licensee is dispossessed.

15.1.3 "Award" means all compensation, sums or anything or value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

15.2 General. If during the Term there is any Taking of all or any part of the Premises or any interest in this License, the rights and obligations of Licensee shall be determined pursuant to this Section. City and Licensee intend that the provisions hereof govern fully Licensee's rights in the event of a Taking and accordingly, Licensee hereby waives any right to terminate this License in whole or in part under Sections 1265.110, 1265.120, 1265.130 and 1265.140 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

15.3 Total Taking; Automatic Termination. If there is a total Taking of the Premises, then this License shall terminate as of the Date of Taking.

15.4 Partial Taking; Election to Terminate.

15.4.1 If there is a Taking of any portion (but less than all) of the Premises, then this License shall terminate in its entirety under either of the following circumstances: (i) if all of the following exist: (A) the partial Taking renders the remaining portion of the Premises unsuitable for continued use by Licensee for the permitted uses described in Section 6.1, (B) the condition rendering the Premises unsuitable either is not curable or is curable but neither City nor Caltrans

is willing or able to cure such condition, and (C) Licensee elects to terminate; or (ii) if City elects to terminate.

15.4.2 If Licensee elects to terminate under the provisions of this Section 15, Licensee shall do so by giving written notice to the City before or within thirty (30) days after the Date of Taking, and thereafter this License shall terminate upon the later of the thirtieth (30^{th}) day after such written notice is given or the Date of Taking.

15.5 License Fee: Award. Upon termination of this License pursuant to an election under Section 15.4 above, then City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of Licensee's interest under this License), and Licensee shall have no claim against City for the value of any unexpired term of this License, provided that Licensee may make a separate claim for compensation, and Licensee shall receive any Award made specifically to Licensee, for Licensee's relocation expenses or the interruption of or damage to Licensee's business or damage to Licensee's Personal Property.

15.6 Partial Taking: Continuation of License. If there is a partial Taking of the Premises under circumstances where this License is not terminated in its entirety under Section 15.4 above, then this License shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of the License interest created by this License), and Licensee shall have no claim against City for the value of any unexpired term of this License, provided that Licensee may make a separate claim for compensation, and Licensee shall receive any Award made specifically to Licensee, for Licensee's relocation expenses or the interruption of or damage to Licensee's business or damage to Licensee's Personal Property.

15.7 Temporary Takings. Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this License shall remain unaffected thereby, and Licensee shall continue to pay all fees and to perform all of the terms, conditions and covenants of this License. In the event of such temporary Taking, Licensee shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total fee owing by Licensee for the period of the Taking, and City shall be entitled to receive the balance of any Award.

Article 16 ASSIGNMENT AND SUBLETTING

Licensee shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Licensee), voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer (collectively, "Assignment") any part of its interest in or rights with respect to the Premises, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet or license any portion of the Premises (collectively, "Subletting"), without City's prior written consent in each instance.

Article 17 DEFAULT; REMEDIES

17.1 Events of Default. Any of the following shall constitute an event of default by Licensee hereunder (each, an "Event of Default"):

17.1.1 A failure to pay any amount payable under this License when due, and such failure continues for three (3) days after the date of written notice by City. However, City shall not be required to provide such notice with respect to more than two delinquencies and any such failure by Licensee after Licensee has received two (2) such notices shall constitute a default by Licensee hereunder without any further action by City or opportunity of Licensee to cure except as may be required by Section 1161 of the California Code of Civil Procedure.

17.1.2 A failure to comply with any other covenant, condition or representation under this License and such failure continues for fifteen (15) days after the date of written notice by City, provided that if such default is not capable of cure within such fifteen (15) day period, Licensee shall have a reasonable period to complete such cure if Licensee promptly undertakes action to cure such default within such 15-day period and thereafter diligently prosecutes the same to completion within sixty (60) days after the receipt of notice of default from City. City shall not be required to provide such notice with respect to more than two defaults and after the second notice any subsequent failure by Licensee shall constitute an Event of Default;

17.1.3 A vacation or abandonment of the Premises for a continuous period in excess of five (5) business days;

17.1.4 An uncured event of default under the Towing Agreement;

17.1.5 An appointment of a receiver to take possession of all or substantially all of the assets of Licensee, or an assignment by Licensee for the benefit of creditors, or any action taken or suffered by Licensee under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days; or

17.1.6 Licensee 's failure to pay City for its staff costs incurred as a result of a notice of violation or other regulatory order to Licensee pursuant to Section 24.10 of this License within thirty (30) days, or to replenish the Performance Surety Bond or the Environmental Oversight Deposit (as defined in Section 24.11 of this License) if drawn upon.

17.2 City Rights Upon Default. Upon the occurrence of an Event of Default by Licensee, City shall have the right to terminate the License in addition to the following rights and all other rights and remedies available to City at law or in equity:

17.2.1 The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Licensee's right to possession of the Premises. City's efforts to mitigate the damages caused by Licensee's breach of this License shall not waive City's rights to recover damages upon termination.

17.2.2 The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), allowing City to continue this License in effect and to enforce all its rights and remedies under this License for so long as City does not terminate Licensee's right to possession, if Licensee has the right to sublet or assign, subject only to reasonable limitations. For purposes hereof, none of the following shall constitute a termination of Licensee's right of possession: acts of maintenance or preservation; efforts to relet the Premises or the appointment of a receiver upon City's initiative to protect its interest under this License; withholding consent to an Assignment or Sublicense, or terminating an Assignment or Sublicense, if the withholding or termination does not violate the rights of Licensee specified in subdivision (b) of California Civil Code Section 1951.4. If City exercises its remedy under California Civil Code Section 1951.4, City may from time to time sublet or license the Premises or any part thereof for such term or terms (which may extend beyond the Term) and at such rent or fee and upon such other terms as City may in its sole discretion deem advisable, with the right to make alterations and repairs to the Premises. Upon each such subletting or sublicensing, Licensee shall be liable for any amounts due hereunder, as well as the cost of such subletting or sublicensing and such alterations and repairs incurred by City and the amount, if any, by which fee owing hereunder for the period of such subletting or sublicensing (to the extent such period does not exceed the Term) exceeds the amount to be paid as rent or fee for the Premises for such period pursuant to such subletting or sublicensing. No action taken by City pursuant to this subsection shall be deemed a waiver of any default by Licensee, or to limit City's right to terminate this License at any time.

17.2.3 The right to have a receiver appointed for Licensee upon application by City to take possession of the Premises and to apply any fees or rental collected from the Premises and to exercise all other rights and remedies granted to City pursuant to this License.

17.3 City's Right to Cure Licensee's Defaults. If Licensee defaults in the performance of any of its obligations under this License, then City may, at its sole option, remedy such default for Licensee's account and at Licensee's expense by providing Licensee with three (3) days' prior written or oral notice of City's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City). Such action by City shall not be construed as a waiver of such default or any rights or remedies of City, and nothing herein shall imply any duty of City to do any act that Licensee is obligated to perform. Licensee shall pay to City upon demand, all reasonable costs, damages, expenses or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. Licensee's obligations under this Section shall survive the termination of this License.

17.4 Security Deposit. On or before the Commencement Date, Licensee shall provide to the City, and shall maintain throughout the term of this License and for a period of at least ninety (90) days after the Expiration Date, a security deposit as follows (collectively, the "Security Deposit") as security for the faithful performance of all terms, covenants and conditions of this License and the Towing Agreement: (i) the Performance Bond described in Section 14.9 of the

Towing Agreement and (ii) the Maintenance Deposit described in Section 14.14 of the Towing Agreement. Licensee agrees that City may (but shall not be required to) apply the Security Deposit in whole or in part to remedy any damage to the Premises or the Improvements (if any) caused by Licensee, its Agents or Invitees, or any failure of Licensee to perform any other terms, covenants or conditions contained in this License, without waiving any of City's other rights and remedies hereunder or at Law or in equity. City's obligations with respect to the Security Deposit are solely that of debtor and not trustee. The amount of the Security Deposit shall not be deemed to limit Licensee's liability for the performance of any of its obligations under this License.

Article 18 WAIVER OF CLAIMS; INDEMNIFICATION

18.1 Limitation on City's Liability: Waiver of Claims. Except for any Pre-2016 Conditions (as defined in Section 24.3) or Non-Licensee Hazardous Materials (as defined in Section 24.8), City shall not be responsible for or liable to Licensee, and Licensee hereby assumes the risk of, and waives and releases City and its Agents from all Claims (as defined below) for, any injury, loss or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (i) any act or omission of persons occupying adjoining premises or any part of the Building adjacent to or connected with the Premises which are not occupied by City, (ii) theft, (iii) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (iv) stopped, leaking or defective Building Systems, (v) Building defects, and (vi) any other acts, omissions or causes. Nothing herein shall relieve City from liability caused solely and directly by the gross negligence or willful misconduct of City or its Agents, but City shall not be liable under any circumstances for any consequential, incidental or punitive damages.

18.2 Licensee's Indemnity. Except for any Pre-2016 Conditions or Non-Licensee Hazardous Materials, Licensee, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("Indemnify") the City and County of San Francisco, including, but not limited to, all of its boards; commissions, departments, agencies and other subdivisions, and Caltrans, and all of their Agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "Indemnified Parties"), and each of them, from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, including, without limitation, employees of Licensee, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Property; (b) any default by Licensee in the observation or performance of any of the terms, covenants or conditions of this License to be observed or performed on Licensee's part; (c) the use or occupancy or manner of use or occupancy of the Premises by Licensee, its Agents or Invitees or any person or entity claiming through or under any of them; (d) the condition of the Premises; (e) any construction or other work undertaken by Licensee on the Premises whether before or during the Term of this License;

or (f) any acts, omissions or negligence of Licensee, its Agents or Invitees, in, on or about the Premises or the Property, all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that such Indemnity is void or otherwise unenforceable under any Applicable Law in effect on or validly retroactive to the date of this License and further except only such Claims as are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and the Indemnified Party's costs of investigating any Claim. Licensee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Licensee by an Indemnified Party and continues at all times thereafter. Licensee's obligations under this Section shall survive the termination of the License.

Article 19 INSURANCE

19.1 Licensee's Personal Property. Licensee shall be responsible, at its expense, for separately insuring Licensee's Personal Property.

19.2 City's Self Insurance. Licensee acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Premises or otherwise.

19.3 Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by Licensee's policies of insurance and any third party insurance that City elects to carry with respect to the Premises, City and Licensee each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Premises or the contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises carried by Licensee does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Licensee shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against City or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

Article 20 ACCESS BY CITY

City reserves for itself and any of its designated Agents, the right to enter the Premises at all reasonable times, with or without advance notice, including, without limitation, in order to (i) oversee or inspect Licensee's operations or conduct any business with Licensee; (ii) show the Premises to prospective Licensees or other interested parties, to post notices of non-responsibility, to conduct any environmental audit of Licensee's use of the Premises, to repair, alter or improve any part of the Building, Building Systems or the Premises, and for any other

lawful purpose; or (iii) whenever City believes that emergency access is required. City shall have the right to use any means that it deems proper to open doors in an emergency in order to obtain access to any part of the Premises, and any such entry shall not be construed or deemed to be a forcible or unlawful entry into or a detainer of, the Premises, or an eviction, actual or constructive, of Licensee from the Premises or any portion thereof. Licensee shall not alter any lock or install any new or additional locking devices without the prior written consent of City. City shall at all times have a key with which to unlock all locks installed in the Premises (excluding Licensee's vaults, safes or special security areas, if any, designated by Licensee in writing to City).

Article 21 LICENSEE'S CERTIFICATES

Licensee, at any time, and from time to time upon not less than ten (10) days' prior notice from City, shall execute and deliver to City or to any party designated by City a certificate stating: (a) that Licensee has accepted the Premises, (b) the Commencement Date and Expiration Date of this License, (c) that this License is unmodified and in full force and effect (or, if there have been modifications, that the License is in full force and effect as modified and stating the modifications), (d) whether or not there are then existing any defenses against the enforcement of any of Licensee's obligations hereunder (and if so, specifying the same), (e) whether or not there are any defaults then existing under this License (and if so specifying the same), (f) the dates, if any, to which any amounts owing under this License have been paid, and (g) any other information that may be required.

Article 22 PREMISES MAINTENANCE REQUIREMENTS

The "Maintenance Plan" shall mean the Maintenance Plan that is a portion of the Approved Operations Manual required under Section VII of Appendix A of the Towing Agreement. Licensee shall faithfully comply with the Maintenance Plan, and any violation of the Maintenance Plan shall be a violation of this Section 22. The Maintenance Plan shall include, at a minimum, the elements described in this Section 22.

22.1 Maintenance of Pavement. Licensee shall maintain the pavement in the Premises in good condition, including the vehicle and parts storage area, in order to prevent Releases of Hazardous Materials (as those terms are defined below) into or onto the Premises, the remainder of the Property, or the environment. Licensee shall inspect the pavement at least quarterly and shall record in written form the dates and times of such inspections, the name or names of the persons conducting the inspections, and any damage discovered to the pavement and its location. Licensee shall promptly repair any cracked or broken pavement and shall report such damage and repair to City. City shall have the right to enter and inspect the Premises from time to time to ensure Licensee’s compliance with the terms of this License, including, without limitation, this Section 22.1 and Section 22.2 below.

(a) Licensee must furnish at its own cost sealed concrete pads and hazardous waste containment systems for removing and storing residual fluids and batteries from vehicles;

(b) Licensee shall clean up and remove all leaked or spilled fluids immediately upon discovery or upon notice by City in accordance with the Maintenance Plan.

(c) Licensee shall only store vehicles and parts in areas with pavement in good condition. Draining must take place on a sealed concrete pad with a containment system to collect residual fluids.

(d) Licensee must ensure that paving, including maintenance and repair, shall protect existing or future groundwater monitoring wells on the Premises.

22.2 Plan and Reporting. In addition to the requirements in Section 22.1 above, the Maintenance Plan shall provide for ongoing inspection, spill and drip response procedures, a maintenance schedule for pavement maintenance and repair of cracks and other identified deficiencies, staff training protocols, and supervised video or photo documentation of initial surface conditions and exit surface conditions. In addition to pavement maintenance, the Maintenance Plan shall include other property management protocols, including but not limited to, maintenance of fencing, lighting, signage and permanent or temporary buildings. The Maintenance Plan shall also include a reporting schedule, with submittal of reports at least quarterly, documenting maintenance performed. Such reports shall include, the following information:

(a) An initial survey of pavement condition as of October 1, 2016;

(b) Surface type and surface conditions at time of repair, including photographs of pre- and post-repair conditions;

(c) Repair procedure performed;

(d) Cost of repairs performed; and

(e) A final survey of pavement condition at the time of termination of Term.

Article 23 SURRENDER OF PREMISES

Upon the Expiration Date or other termination of the Term of this License, Licensee shall immediately peaceably quit and surrender to City the Premises together with all Alterations approved by City in good order and condition, free of debris and any Hazardous Materials deposited on the Premises and in the condition it was in as of October 1, 2016, except for normal wear and tear after Licensee's having made the last necessary repair required on its part under this License, and further except for any portion of the Premises condemned and any damage and destruction for which Licensee is not responsible hereunder. The Premises shall be surrendered free and clear of all liens and encumbrances other than liens and encumbrances existing as of the October 1, 2016, and any other encumbrances created by City.

Immediately before the Expiration Date or other termination of this License, Licensee shall remove all of Licensee's Personal Property as provided in this License, and repair any damage resulting from the removal. Notwithstanding anything to the contrary in this License, City can elect at any time prior to the Expiration Date or within thirty (30) days after termination of this License, to require Licensee to remove, at Licensee's sole expense, all or part of Licensee's

Alterations or other improvements or equipment constructed or installed by or at the expense of Licensee, or any vehicles that City may in its sole and absolute discretion authorize to be stored on the Premises after termination of this License, together with any Hazardous Materials contained within such vehicles.

Licensee shall promptly remove such items and shall repair, at its expense, any damage to the Premises resulting from the performance of its removal obligations pursuant to this Section. Licensee's obligations under this Section shall survive the Expiration Date or other termination of this License. Any items of Licensee's Personal Property remaining in the Premises after the Expiration Date or sooner termination of this License may, at City's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law. Any expenses or costs incurred by City to discharge liens, remove Licensee's Personal Property or Alterations, or repair any damage for which Licensee is responsible shall be charged against Licensee's Security Deposit.

Concurrently with the surrender of the Premises, Licensee shall, if requested by City, execute, acknowledge and deliver to any instrument reasonably requested by City to evidence or otherwise effect the termination of Licensee's interest to the Premises and to effect such transfer or vesting of title to the Alterations or equipment which remain part of the Premises.

Article 24 HAZARDOUS MATERIALS

24.1 Definitions. As used herein, the following terms shall have the meanings set forth below:

24.1.1 "**Environmental Laws**" shall mean any present or future federal, state, local or administrative law, rule, regulation, order or requirement relating to Hazardous Material (including, without limitation, their generation, use, handling, transportation, production, disposal, discharge or storage), or to health and safety, industrial hygiene or the environment, including, without limitation, soil, air and groundwater conditions, including without limitation Article 21 of the San Francisco Health Code.

24.1.2 "**Hazardous Material**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health, welfare or safety or to the environment. Hazardous Material includes, without limitation, any material or substance listed or defined as a "hazardous substance", or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to the Carpenter-Presley-Tanner Hazardous Substance Account Act, as amended, (Cal. Health & Safety Code Sections 25300 et seq.) or pursuant to the Hazardous Waste Control Law, as amended, (Cal. Health & Safety Code Sections 25100 et seq.) or pursuant to the Porter-Cologne Water Quality Control Act, as amended, (Cal. Water Code Sections 13000 et seq.) or pursuant to Section 25501(o) of the California Health and Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

24.1.3 "**Indemnify**" shall mean, whenever any provision of this Section 24 requires a person or entity (the "Indemnitor") to Indemnify any other entity or person (the "Indemnitee"), the Indemnitor shall be obligated to defend, indemnify, hold harmless and protect the Indemnitee, its officers, employees, agents, stockholders, constituent partners, and members of its boards and commissions harmless from and against any and all Losses arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify such Indemnitee, whether such act, omission, event, occurrence or condition is caused by the Indemnitor or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen; provided that no Indemnitor shall be obligated to Indemnify any Indemnitee against any Loss from the negligence or intentional wrongful acts or omissions of such Indemnitee, or such Indemnitee's agents, employees or contractors. If a Loss is attributable partially to the negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), such Indemnitee shall be entitled to Indemnification for that part of the Loss not attributable to such Indemnitee's (or its agents, employees or contractors) negligent or intentionally wrongful acts or omissions.

24.1.4 "**Investigate and Remediate**" (also "**Investigation**" and "**Remediation**") shall mean the undertaking of any activities to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Premises or surrounding property or that has been, is being or threaten to be Released into the environment, and to clean up, remove, contain, treat, stabilize, monitor or otherwise control such Hazardous Material.

24.1.5 "**Losses**" shall mean any and all claims, demands, losses, damages, liens, liabilities, injuries, deaths, penalties, fines, lawsuits and other proceedings, judgments and awards rendered therein, and costs and expenses, including, but not limited to, reasonable attorneys' fees.

24.1.6 "**Release**" when used with respect to Hazardous Material shall include any actual, threatened or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Premises, or in, on, under or about any other part of the Premises or into the environment.

24.2 No Hazardous Materials. Licensee covenants and agrees that neither Licensee nor any of its Agents, Employees or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated, processed, produced, packaged, treated, emitted, discharged or disposed of in, on or about the Premises, or transported to or from the Premises without (i) the prior written consent of City, which consent shall not be unreasonably withheld so long as Licensee demonstrates to City's reasonable satisfaction that such Hazardous Material is necessary to Licensee's business, will be handled in a manner which strictly complies with all Environmental Laws and will not materially increase the risk of fire or other casualty to the Premises, and (ii) the prior written consent of Caltrans. City and Licensee understand that the vehicles transported to and stored at the Property will contain and may partially consist of Hazardous Materials. Licensee shall immediately notify City if and when Licensee learns or has

reason to believe a Release of Hazardous Material on or about any part of the Premises or the remainder of the Property has occurred that may require any Investigation or Remediation. Licensee shall not be responsible for the safe handling of Hazardous Materials introduced on the remainder of the Property during the Term of the Towing Agreement by City or its Agents.

Without limiting any other obligation of Licensee, if acts or omissions of Licensee results in any Hazardous Materials Release or contamination of the Premises, Licensee shall, at its sole expense, promptly take all action that is necessary to return the Premises to the condition existing prior to the introduction of such Hazardous Material in, on, under or about the Premises; provided that City approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions could not potentially have any material adverse effect upon the Premises.

24.3 Licensee's Environmental Indemnity. If Licensee breaches any of its obligations contained in this Section 24, or, if any act, omission or negligence of Licensee, its Agents, Employees or Invitees, results in any Release of Hazardous Material in, on or under any part of the Premises, or the remainder of the Property or the Building, then, Licensee shall, on behalf of itself and its successors and assigns, Indemnify the City from and against all Claims (including, without limitation, claims for injury to or death of a person, damages, liabilities, losses, judgments, penalties, fines, regulatory or administrative actions, damages for decrease in value of the Premises or the remainder of the Building or the Property, the loss or restriction of the use of rentable or usable space or of any amenity of the Premises, or the remainder of the Building or the Property, damages arising from any adverse impact on marketing of any such space, restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater in, on or under the Premises, the remainder of the Property, or in any Improvements, and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of the Towing Agreement and relating to such breach or Release. The foregoing Indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate any Release of Hazardous Material, and to restore the Premises or the remainder of the Building or Property to their prior condition. This indemnification of City by Licensee includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work requested by Caltrans or required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater in, on or under the Premises, the remainder of the Property or in any Alterations. Licensee's obligations hereunder shall survive the termination of this License. Licensee's obligations under this Section do not include an indemnity for Claims arising as a result of Hazardous Materials (or other conditions alleged to be in violation of any Environmental Law) in, on, or under any part of the Premises or the remainder of the Building or Property that were present prior to October 1, 2016, or to the extent that such Claims relate to conditions existing prior to October 1, 2016 (collectively, any "Pre-2016 Conditions"), except to the extent that Licensee exacerbates any Pre-2016 Condition or introduces such Hazardous Materials or conditions. In the event any action or proceeding is brought against City by reason of a claim arising out of any Loss, Claim, injury or damage

suffered on or about the Premises or the remainder of the Building or the Property for which Licensee has Indemnified the City and upon written notice from the City, Licensee shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the City. City shall have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the City in connection with this License or the Premises or the remainder of the Building or Property. The provisions of this paragraph shall survive the termination of this License with respect to any Loss occurring prior to or upon termination. Licensee and City shall afford each other a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

24.4 Compliance with Environmental Laws. In addition to its obligations under Section 11 above, and without limiting any such obligations or the foregoing, Licensee shall comply with the following requirements or more stringent requirements in any Environmental Laws:

24.4.1 Any Hazardous Materials found and identified as such in the towed vehicles which are not typically part of a towed vehicle, will be removed from the vehicle to an appropriate storage location within 72 hours.

24.4.2 No Hazardous Materials shall be voluntarily or involuntarily disposed of onto or into the ground or into the sewer system.

24.4.3 In no event shall Hazardous Waste (as defined by Title 22 of the California Code of Regulations, as amended) accumulate on the Premises for longer than 90 days. Drums used to store Hazardous Materials shall not be stacked more than two drums high. City will not consider fluids that are normally contained within a vehicle to be Hazardous Wastes so long as they remain contained within the vehicle.

24.4.4 Licensee shall store all Hazardous Materials above ground, not in underground storage tanks.

24.4.5 An emergency response plan, emergency response employee training plan and an inventory of Hazardous Materials stored at the Premises by or for Licensee shall be provided to City.

24.5 Information Requests. City may from time to time request, and Licensee shall be obligated to provide, information reasonably adequate for City to determine that any and all Hazardous Materials are being handled in a manner which complies with all Environmental Laws.

24.6 Damaged Vehicles. Licensee shall inspect all vehicles before storing them on the Premises to make a good faith effort to determine that vehicles are not leaking fluids, including but not limited to gasoline, battery acid, oil, transmission and transfer case fluids, brake and clutch fluids, and coolant. Licensee shall secure vehicles that have been severely damaged due to collision or vandalism so that parts do not fall off and fluids do not leak. Leaking vehicles shall be drained of the leaking fluid on a sealed cement pad, which Licensee shall maintain free of

build-up of Hazardous Materials. Licensee shall immediately clean-up and remove all leaked or spilled fluids, whether within or outside of sealed or contained areas. Licensee shall treat all such fluids and used cleaning materials as hazardous waste and shall dispose of them in accordance with Environmental Laws and Section 24.3 above. Parts that have fallen off a vehicle shall be placed inside the vehicle in a manner that minimizes damage to the vehicle. Licensee shall not be deemed an owner or operator of any damaged vehicle, but shall be deemed the owner of any fluids that leak from such damaged vehicles on or about the Premises.

24.7 Fire Prevention Measures. Licensee shall comply with the following fire prevention measures.

24.7.1 Welding and torch cutting shall be in conformance with the City of San Francisco Fire Code.

24.7.2 No smoking will be allowed in the Premises except in designated areas consistent with Applicable Law.

24.7.3 No crushing, burning of wrecked or discarded motor vehicles or waste materials shall be allowed.

24.7.4 Motor vehicles, parts of motor vehicles, junk, waste, or other materials shall not be stored, displayed, or kept in a manner that could hinder or endanger firefighting efforts and operations.

24.7.5 One or more aisles, at least 30 inches wide (or any greater width required under Applicable Law), must be maintained in the area where vehicles are stored, to permit access by the San Francisco Fire Department to all parts of the vehicle storage area. Entrances and exits to the area shall be at least 15 feet in width (or any greater width required under Applicable Law).

24.8 Requirement to Remove. Prior to termination of this License or during the Term if required by a governmental agency, Licensee, at its sole cost and expense, shall remove any and all Hazardous Materials introduced in, on, under or about the Premises by Licensee, its Agents or Invitees during the Term or during any prior time in which Licensee occupied the Premises. Licensee shall not be obligated to remove any Hazardous Material introduced onto the Premises before, during, or after the Term of the Towing Agreement by (1) City or its officers, directors, employees, or Agents or (2) any prior occupants, tenants, property owners, individuals, corporations or entities (collectively, any "Non-Licensee Hazardous Material"). If Licensee demonstrates its compliance with the property maintenance requirements of this License, the Maintenance Plan described in Section 22 above, there shall be a rebuttable presumption that any Hazardous Materials in, on, under or about the Premises were not introduced by Licensee, its Agents or Invitees. However, if Licensee does not demonstrate its compliance with the property maintenance requirements of this License or of the Maintenance Plan, then there shall be a rebuttable presumption that such Hazardous Materials are Licensee's responsibility to the extent that the presence of such Hazardous Materials bear a reasonable causal relationship to Licensee's non-compliance in their composition and location.

Prior to the termination of this License, at Licensee's expense, City and Licensee shall conduct a joint inspection of the Premises for the purpose of identifying Hazardous Materials on the Premises which can be determined to have been introduced by the Licensee and which Licensee is therefore required to remove. City's failure to conduct an inspection or to detect conditions if an inspection is conducted shall not be deemed to be a release of any liability for environmental conditions subsequently determined to be Licensee's responsibility.

24.9 Licensee's Environmental Condition Notification Requirements.

24.9.1 Notification of Any Release or Discharge. Licensee shall notify City in writing as required in the Maintenance Plan if Licensee learns or has reason to believe that a Release of any Hazardous Materials on or about any part of the Premises has occurred, whether or not the Release is in quantities that under any law would require the reporting of such Release to a governmental or regulatory agency.

24.9.2 Notification of Any Notice, Investigation, or Claim. Licensee shall also immediately notify City in writing of, and shall contemporaneously provide City with a copy of:

(a) Any written notice of Release of Hazardous Materials on the Premises that is provided by Licensee or any subtenant or other occupant of the Premises to a governmental or regulatory agency;

(b) Any notice of a violation, or a potential or alleged violation, of any Environmental Law that is received by Licensee or any subtenant or other occupant of the Premises from any governmental or regulatory agency;

(c) Any inquiry, investigation, enforcement, cleanup, removal or other action that is instituted or threatened by a governmental or regulatory agency against Licensee or subtenant or other occupant of the Premises and that relates to the Release of Hazardous Materials on or from the Premises;

(d) Any claim that is instituted or threatened by any third party against Licensee or any subtenant or other occupant of the Premises and that relates to any Release of Hazardous Materials on or from the Premises; and

(e) Any notice of the loss of any environmental operating permit by Licensee or any subtenant or other occupant of the Premises.

24.9.3 Notification of Regulatory Actions.

(a) Licensee shall immediately notify City in writing of any inspection by any governmental or regulatory agency with jurisdiction over Hazardous Materials and shall provide City with a copy of any inspection record, correspondence, reports and related materials from or to the agency.

(b) Licensee must notify City of any meeting, whether conducted face-to-face or telephonically, between Licensee and any regulatory agency regarding an environmental regulatory action. City will be entitled to participate in any such meetings at its sole election.

(c) Licensee must notify City of any environmental regulatory agency's issuance of an environmental regulatory approval. Licensee's notice to City must state the issuing entity, the environmental regulatory approval identification number, and the date of issuance and expiration of the environmental regulatory approval. In addition, Licensee must provide City with a list of any environmental regulatory approval, plan or procedure required to be prepared and/or filed with any regulatory agency for operations on the Property, including a "Spill Pollution Control and Countermeasure Plan." Licensee must provide City with copies of any of the documents within the scope of this Section upon City's request.

(d) Licensee must provide City with copies of all communications with regulatory agencies and all non-privileged communications with other persons regarding potential or actual Hazardous Materials Claims arising from Licensee's or its Agents' or Invitees' operations at the Property. Upon City's request, Licensee must provide City with a log of all communications withheld under a claim of privilege that specifies the parties to and subject of each withheld communication.

(e) City may from time to time request, and Licensee will be obligated to provide, information reasonably adequate for City to determine that any and all Hazardous Materials are being handled in a manner that complies with all Environmental Laws.

24.10 Use of Security Deposit. If Licensee receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the Premises and or its operations and Licensee does not achieve compliance with the notice of violation or order to the satisfaction of the issuing agency within the time specified by the agency or by the City if the agency does not specify a timeframe, the City may draw upon the Security Deposit for purposes of ensuring regulatory compliance. In addition, the City may draw upon the Security Deposit in order to reimburse the City for any fine or other charge assessed against the City related to any notice of violation or other regulatory order issued to Licensee. The City may also draw upon the Security Deposit in order to reimburse the City for costs associated with City's environmental assessments or corrective action, which may be performed at the City's sole discretion.

24.11 Environmental Oversight Deposit. Upon execution of the Towing Agreement, Licensee shall provide to the City, and shall maintain and replenish throughout the Term of this License and for a period of at least ninety (90) days after expiration of this License, an

"Environmental Oversight Deposit" in the amount of $10,000, which shall be deposited in an account specified and held by City, as security for the faithful performance of all of the terms, covenants and conditions of this Section. If Licensee receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the Premises and or its operations and such notice is not cured within fourteen (14) days, the City may (but shall not be required to) apply draw from the Environmental Oversight Deposit to reimburse the City for staff costs incurred by the City while inspecting site conditions and enforcing and administering the Hazardous Materials provisions of the License. If Licensee receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the Premises and or its operations, and such notice is cured within fourteen (14) days, the City may draw from the Environmental Oversight Deposit in an amount not to exceed $500 to reimburse the City for staff costs incurred by the City. City will submit an invoice to Licensee for any such costs, and Licensee will pay such invoiced amounts within thirty (30) days to replenish the Environmental Oversight Deposit. Licensee's failure to pay such costs within thirty (30) days, or to replenish the Environmental Oversight Deposit if drawn upon, will constitute an Event of Default.

Any City withdrawal of funds from the Environmental Oversight Deposit pursuant to this Section shall be without waiving any of City's other rights and remedies hereunder or at law or in equity. Licensee agrees that City's obligations with respect to the Environmental Oversight Deposit are solely that of debtor and not trustee. City shall not be required to keep the Environmental Oversight Deposit separate from its general funds, and Licensee shall not be entitled to any interest on the Environmental Oversight Deposit. The amount of the Environmental Oversight Deposit shall not be deemed to limit Licensee's liability for the failure to comply with any of its Hazardous Materials provisions under this License.

24.12 Hazardous Substance Disclosure. California law requires landlords to disclose to tenants the presence or potential presence of certain hazardous materials and hazardous substances prior to lease. Accordingly, Licensee is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, asbestos, PCBs, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde.

Article 25 GENERAL PROVISIONS

25.1 Notices. Any notice, demand, consent or approval required under this License shall be effective only if in writing and given by delivering the notice in person or by sending it first-class certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: (a) Licensee (i) at the Premises, or (ii) at any place where Licensee or any Agent of Licensee may be found if sent subsequent to Licensee's vacating, abandoning or surrendering the Premises; or (b) City at City's address set forth in the Basic License Information; or (c) to such other address as either City or Licensee may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section at least ten (10) days prior to the effective date of such change. Any notice

hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. For convenience of the parties, copies of such notices, demands, consents or approvals may also be given by email message sent to the email addresses set forth in the Basic License Information or such other email addresses as may be provided from time to time; however, neither party may give official or binding notice by facsimile. All other written communications may be by first class U.S. mail, postage pre-paid, by email or by facsimile addressed with the contact information set forth in the Basic License Information.

25.2 No Implied Waiver. No failure by City to insist upon the strict performance of any obligation of Licensee under this License or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of any other amounts owing under this License during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of City, shall constitute a waiver of such breach or of City's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this License. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. Any consent by City hereunder shall not relieve Licensee of any obligation to secure the consent of City in any other or future instance under the terms of this License.

25.3 Amendments. Neither this License nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by both parties hereto.

25.4 Authority. Each of the persons executing this License on behalf of Licensee does hereby covenant and warrant that Licensee is a duly authorized and existing entity, that Licensee has and is qualified to do business in California, that Licensee has full right and authority to enter into this License, and that each and all of the persons signing on behalf of Licensee are authorized to do so. Upon City's request, Licensee shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

25.5 Parties and Their Agents; Approvals.. The words "City" and "Licensee" as used herein shall include the plural as well as the singular. If there is more than one Licensee, the obligations and liabilities under this License imposed on Licensee shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party, and the term "Invitees" when used with respect to Licensee shall include the clients, customers, invitees, guests, licensees, assignees or sublicensees of Licensee. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through SFMTA unless otherwise provided in this License, subject to Applicable Law.

25.6 Interpretation of License.

25.6.1 The captions preceding the articles and sections of this License and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this License.

25.6.2 This License has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this License.

25.6.3 Provisions in this License relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day.

25.6.4 Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this License, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

25.6.5 Any capitalized term used herein shall be interpreted in accordance with the definition set forth in this License. If the capitalized term is not defined in this License, it shall be interpreted in accordance with the definition set forth in the Towing Agreement or the Lease.

25.6.6 Any inconsistency between this License, the Towing Agreement, and the Lease with respect to Licensee's performance of its obligations under the Towing Agreement shall be resolved by giving precedence in the following order: (a) the Towing Agreement; (b) the Lease; (c) this License.

25.7 Successors and Assigns. Subject to the provisions of this License relating to Assignment and subletting, the terms, covenants and conditions contained in this License shall bind and inure to the benefit of City and Licensee and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by City named herein (or by any subsequent Licensor) of its interest in the Premises as owner or lessee, including any transfer by operation of law, City (or any subsequent Licensor) shall be relieved from all subsequent obligations and liabilities arising under this License subsequent to such sale, assignment or transfer.

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

25.9 Governing Law. This License shall be construed and enforced in accordance with the laws of the State of California.

25.10 Entire Agreement. This License, together with all exhibits hereto, which are made a part of this License, and the Towing Agreement, constitute the entire agreement between City and Licensee about the subject matters hereof and may not be modified except by an instrument in writing signed by the party to be charged. In the event of any conflict between the terms of the Towing Agreement and the terms of this License with respect to Licensee's activities and obligations at the Premises, the terms of the License shall control. All prior written or oral negotiations, understandings and agreements are merged herein. The parties further intend that this License shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this License. Licensee hereby acknowledges that neither City nor City's Agents have made any representations or warranties with respect to the Premises or this License except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Licensee by implication or otherwise unless expressly set forth herein.

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

25.12 Holding Over. Should Licensee hold over without City's consent, such holding over shall not be deemed to extend the Term or renew this License, but such term thereafter shall continue as a month-to-month occupancy. Such occupancy shall be on all the terms and conditions set forth in this License; provided that on or before the first day of each month of such month-to-month occupancy, Licensee shall pay to City rent (the "Holdover Fee") equal to the rent paid by City under the Lease for such month, multiplied by a fraction with a numerator of the square footage of the Premises and the denominator of the square footage of the Property. Licensee shall pay the Holdover Fee to City without prior demand and without any deduction, setoff or counterclaim whatsoever. The Holdover Fee shall be paid by wire transfer to the account designated by City in writing. If the first or last day of such month-to-month occupancy occurs on a day other than the first day of a calendar month, then the Holdover Fee for such fractional month shall be prorated based on a thirty (30) day month.

All other payments shall continue under the terms of this License. In addition, Licensee shall be liable for all damages incurred by City as a result of such holding over. No holding over by Licensee, whether with or without consent of City, shall operate to extend this License except as

otherwise expressly provided, and this Section shall not be construed as consent for Licensee to retain possession of the Premises beyond such month to month holdover occupancy. For purposes of this Section, "possession of the Premises" shall continue until, among other things, Licensee has delivered all keys to the Premises to City, has fully vacated the Premises, and completely fulfilled all obligations required of it upon termination of the License as set forth in this License, including, without limitation, those concerning the condition and repair of the Premises.

25.13 Time of Essence. Time is of the essence with respect to all provisions of this License in which a definite time for performance is specified.

25.14 Cumulative Remedies. All rights and remedies of either party hereto set forth in this License shall be cumulative, except as may otherwise be provided herein.

25.15 Provisions of License Surviving Termination. Termination of this License shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this License. This Section and the following Sections of this License shall survive termination or expiration of this License: Sections 2.1.4, 5, 6.6, 7, 12, 14, 17.2, 17.3, 18.1, 18.2, 23, 24.1, 24.2, 24.3, 24.5, 24.8, 24.9, 24.10, 24.11, 25.6, 25.7, 25.8, 25.9, 25.10, 25.11, 25.12, 25.14, 25.22, 25.26, 25.31.

25.16 Signs. Licensee agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Building or from the exterior of the Premises without City's prior written consent, which City may withhold or grant in its sole discretion.

25.17 Relationship of the Parties. City is not, and none of the provisions in this License shall be deemed to render City, a partner in Licensee's business, or joint venturer or member in any joint enterprise with Licensee. Neither party shall act as the agent of the other party in any respect hereunder. This License is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

25.18 Light and Air. Licensee covenants and agrees that no diminution of light, air or view by any structure that may hereafter be erected (whether or not by City) shall result in any liability of City to Licensee or in any other way affect this License or Licensee's obligations hereunder.

25.19 No Recording. Licensee shall not record this License or any memorandum hereof in the public records.

25.20 Drug-Free Workplace. Licensee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Licensee agrees that any violation of this prohibition by Licensee, its Agents or assigns shall be deemed a material breach of this License.

25.21 Public Transit Information. Licensee shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Licensee employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Licensee's sole expense.

25.22 Taxes, Assessments, Licenses, Permit Fees and Liens. (a) Licensee recognizes and understands that this License may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on such interest. (b) Licensee agrees to pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the License interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Licensee's usage of the Premises that may be imposed upon Licensee by law, all of which shall be paid when the same become due and payable and before delinquency. (c) Licensee agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Licensee, if so desiring, may have reasonable opportunity to contest the validity of the same.

25.23 Wages and Working Conditions. Licensee agrees that any person performing labor in connection with any Alteration that is a "public work" as defined under San Francisco Administrative Code Section 6.22(E) or California Labor Code Section 1720 *et seq.* (which includes certain construction, alteration, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) and that Licensee provides under this License shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco County. Licensee shall include in any contract for construction of such Alterations a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Licensee shall require any contractor to provide, and shall deliver to City upon request, certified payroll reports with respect to all persons performing such labor at the Premises.

25.24 Non-Discrimination in City Contracts and Benefits Ordinance..

25.24.1 Covenant Not to Discriminate. In the performance of this License, Licensee covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome, HIV status (AIDS/HIV status), weight, height, association with members of classes protected under this chapter or in retaliation for opposition to any practices forbidden under this chapter against any employee of, any City employee working with, or applicant for employment

with such contractor and shall require such contractor to include a similar provision in all subcontracts executed or amended thereunder.

25.24.2 Subcontracts. Licensee shall include in all assignment, subleases or other subcontracts relating to the Premises a non-discrimination clause applicable to such assignee, sublicensee or other subcontractor in substantially the form of subsection (a) above. In addition, Licensee shall incorporate by reference in all assignments, subleases, and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all assignees, sublicensees and other subcontractors to comply with such provisions. Licensee's failure to comply with the obligations in this subsection shall constitute a material breach of this License.

25.24.3 Non-Discrimination in Benefits. Licensee does not as of the date of this License and will not during the Term, in any of its operations in San Francisco, where the work is being performed for the City, or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

25.24.4 CMD Form. As a condition to this License, Licensee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division.

25.24.5 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the License of City property are incorporated in this Section 25.24 by reference and made a part of this License as though fully set forth herein. Licensee shall comply fully with and be bound by all of the provisions that apply to this License under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Licensee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this License may be assessed against Licensee and/or deducted from any payments due Licensee.

25.25 Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other Agent of City shall be, personally liable to Licensee, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Licensee, its successors and assigns, or for any obligation of City under this License.

25.26 No Relocation Assistance: Waiver of Claims. Licensee acknowledges that it will not be a displaced person at the time this License is terminated or expires by its own terms, and Licensee fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this License with respect to a Taking.

25.27 MacBride Principles - Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated herein by this reference and made part of this License. By signing this License, Licensee confirms that Licensee has read and understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

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

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

25.30 First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance, San Francisco Administrative Code, Chapter 83, which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically

disadvantaged individuals for entry level positions. Licensee shall comply with the requirements of the First Source Agreement between Licensee and City's First Source Hiring Administration contained in Section 10.9 of the Agreement for Towing and Storage of Abandoned and Illegally Parked Vehicles.

25.31 Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, Licensees' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

25.32 Conflicts of Interest. Through its execution of this License, Licensee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Licensee becomes aware of any such fact during the Term, Licensee shall immediately notify the City.

25.33 Charter Provisions. This License is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

25.34 Prohibition of Cigarette or Tobacco Advertising. Licensee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products, or (ii) encourage people not to smoke or to stop smoking.

25.35 Prohibition of Alcoholic Beverage Advertising. Licensee acknowledges and agrees that no advertising or sale of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

25.36 Requiring Health Benefits for Covered Employees. Unless exempt, Licensee agrees to comply fully with and be bound by all of the provisions of the Health Care

Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this License as though fully set forth. The text of the HCAO is available on the web at http://www.sfgov.org/olse/hcao. Capitalized terms used in this Section and not defined in this License shall have the meanings assigned to such terms in Chapter 12Q.

25.36.1 For each Covered Employee, Licensee shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Licensee chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

25.36.2 Notwithstanding the above, if the Licensee is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection 25.36.1 above.

25.36.3 Licensee's failure to comply with the HCAO shall constitute a material breach of this License. City shall notify Licensee if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this License for violating the HCAO, Licensee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Licensee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

25.36.4 Any Subcontract entered into by Licensee shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Licensee shall notify City when it enters into such a Subcontract and shall certify to the City that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Licensee shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Licensee based on the Subcontractor's failure to comply, provided that City has first provided Licensee with notice and an opportunity to obtain a cure of the violation.

25.36.5 Licensee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Licensee's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

25.36.6 Licensee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

25.36.7 Licensee shall keep itself informed of the current requirements of the HCAO.

25.36.8 Licensee shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Sublicensees, as applicable.

25.36.9 Licensee shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least five (5) business days to respond.

25.36.10 City may conduct random audits of Licensee to ascertain its compliance with HCAO. Licensee agrees to cooperate with City when it conducts such audits.

25.36.11 If Licensee is exempt from the HCAO when this License is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000), but Licensee later enters into an agreement or agreements that cause Licensee's aggregate amount of all agreements with City to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Licensee and City to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

25.37 Notification of Limitations on Contributions. Through its execution of this License, Licensee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City, whenever such transaction would require approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Licensee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Licensee further acknowledges that the prohibition on contributions applies to each Licensee; each member of Licensee's board of directors, and Licensee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Licensee; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Licensee. Additionally, Licensee acknowledges that Licensee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Licensee further agrees to provide to City the name of each person, entity or committee described above.

25.38 Preservative-Treated Wood Containing Arsenic. Licensee may not purchase preservative-treated wood products containing arsenic in the performance of this

License unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Licensee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Licensee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

25.39 Resource Efficient City Buildings. Licensee acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 713 relating to the environmental design and construction of buildings owned or leased by City. Licensee hereby agrees that it shall comply with all applicable provisions of such code sections.

25.40 Food Service Waste Reduction. Licensee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this License as though fully set forth herein. This provision is a material term of this License. By entering into this License, Licensee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting City's other rights and remedies, Licensee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time of the Commencement Date. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Licensee's failure to comply with this provision.

25.41 Criminal History Inquiries for Employment.

25.41.1 Unless exempt, Licensee agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "Chapter 12 T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Licensee who would be or are performing work at the Premises.

25.41.2 Licensee shall incorporate by reference the provisions of Chapter 12T in all sublicenses of some or all of the Premises, and shall require all sublicensees to comply with such provisions. Licensee's failure to comply with the obligations in this subsection shall constitute a material breach of the License Agreement.

25.41.3 Licensee and sublicensees shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

25.41.4 Licensee and sublicensees shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Licensee and sublicensees shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

25.41.5 Licensee and sublicensees shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Licensee and sublicensees will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

25.41.6 Licensee and sublicensees shall post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

25.41.7 Licensee and sublicensees understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T or this Permit, including but not limited to a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of the License Agreement.

25.41.8 If Licensee has any questions about the applicability of Chapter 12T, it may contact the SFMTA for additional information. SFMTA may consult with the Director of the City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

25.42 Bottled Drinking Water. Unless exempt, Licensee agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and

implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of the License as though fully set forth.

25.43 Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other Agent of City shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of City under this Agreement.

25.44 Drug-Free Workplace. Licensee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Licensee agrees that any violation of this prohibition by Licensee, its Agents or assigns shall be deemed a material breach of this License.

Article 26 COUNTERPARTS.

This License may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Article 27 EFFECTIVE DATE.

This License shall be effective as of the Commencement Date.

Article 28 COOPERATIVE DRAFTING.

This License has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the License reviewed and revised by legal counsel. No party shall be considered the drafter of this License, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this License.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LICENSE, LICENSEE ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS LICENSE UNLESS AND UNTIL THE BOARD OF DIRECTORS OF CITY'S MUNICIPAL TRANSPORTATION AGENCY SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THE TOWING AMENDMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED IN THIS LICENSE. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LICENSE SHALL BE NULL AND VOID IF THE BOARD OF DIRECTORS OF CITY'S MUNICIPAL TRANSPORTATION AGENCY DO NOT APPROVE THE TOWING AMENDMENT AND THIS LICENSE IN ITS RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS LICENSE BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

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IN WITNESS WHEREOF, the parties hereto have executed this License on the day first mentioned above.

CITY: CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through its Municipal Transportation Agency

By:_____
Julie Kirschbaum
Director of Transportation

Date: _____

San Francisco Municipal Transportation Agency
Board of Directors
Resolution No: _____
Adopted: _____
Attest:

_____
Secretary, SFMTA Board of Directors