

SECOND AMENDMENT TO CONCESSION AGREEMENT BETWEEN PORT OF SEATTLE AND
EASTSIDE FOR HIRE, INC.

This Second Amendment to the September 16, 2016 Concession Agreement for On-Demand, Outbound Transportation Services (“Agreement”) at Seattle-Tacoma International Airport (“Agreement”) is made by and between the Port of Seattle (“Port”) and Eastside for Hire, Inc. (“Concessionaire”). The Port and Concessionaire shall be referred to collectively as “the Parties.”

RECITALS

A. Pursuant to the Agreement, Concessionaire has provided on-demand taxicab/flat rate for-hire services at the Airport (the “Concession”) since approximately October 1, 2016. The Agreement expires by its terms on September 30, 2019.

B. Concessionaire separately entered into a subcontract for ground transportation management services at the Airport (“Subcontract”) with SP Plus Corporation (“Subcontractor”).

C. As the Parties articulated in the Agreement, the Port has a strong interest in preserving and furthering driver income and equity, and in creating quality jobs in and from operations at the Airport. The Port believes that entering into this Second Amendment furthers those important interests.

D. The taxicab/flat rate for-hire business at the Airport continues to be affected by the introduction of, and the traveling public’s increased reliance on, transportation network companies in the market. The extent of the effect these transportation network companies have had on the taxicab/flat rate for-hire business at the Airport was not foreseen when the Parties executed the Agreement in September 2016. The public’s increased reliance on transportation network companies has caused disruption to the taxicab/flat rate for-hire industry in general and has specifically affected the taxicab/flat rate for-hire business at the Airport.

E. These disruptions to the Concession and the taxicab/flat rate for-hire operations at the Airport have resulted in increased dissatisfaction and unrest among taxicab/flat rate for-hire service providers operating at the Airport. This unrest has resulted in disruptions of Airport operations, and threatens to continue to disrupt airport operations.

F. In or around April 2018, Concessionaire announced its intention to reduce the number of permitted vehicles under the Concession and impose additional fees and/or charges on the reduced fleet.

G. The Parties disagree over whether Concessionaire has the authority under the Agreement to take one or more of these actions in Recital F, and both Parties represented that they were willing to initiate litigation to resolve these issues if they were not able to resolve them through negotiation.

H. After a lengthy negotiation between the Parties, the Port of Seattle Commissioners, as overseers of the Airport operations, have determined that it is in the Port’s and the public’s best interest that certain changes be made to the Agreement and the Subcontract. The Parties are entering into this Second Amendment to provide certainty and stability to the Concession, to minimize future disruptions to Airport operations, and to avoid the expense, inconvenience, and uncertainty of litigation. These changes will affect the fees Concessionaire can impose on vehicle owners or drivers under the Concession, and restructure the relationship between the Port, Concessionaire, and Subcontractor, including by modifying the entity responsible for paying for the services provided by Subcontractor under the Subcontract.

TERMS

NOW, THEREFORE, in consideration of their mutual promises, and in light of and incorporating the above recitals and for other good and valuable consideration, the adequacy of which may not be disputed, the Parties agree as follows:

1. The Port has the sole discretion to determine the number of vehicles to be permitted under the Agreement, taking into consideration the number of on-demand vehicles necessary to provide an acceptable level of customer service at the Airport or necessary to serve other important Port interests, including owner/driver equity and income. Concessionaire waives and releases any alleged right to increase or decrease the number of permitted vehicles under the Agreement without first obtaining the Port's express written consent to the change, which the Port may withhold for any reason, in its sole discretion. Notwithstanding the above, the Port agrees that it will not reduce the number of vehicles permitted to operate at the Airport to less than four hundred and five (405) vehicles during the Agreement's term unless (i) a vehicle unilaterally terminates its fleet agreement or (ii) Eastside terminates a vehicle "for cause." Furthermore, and to be explicit, the Port shall not reduce the number of vehicles in such a way that would cause Concessionaire to be in breach of its fleet agreement(s) with a particular vehicle owner(s).

2. Effective July 31, 2018 at 11:59:59 p.m. (the "Assignment Date/Time"), and by separate agreement (the "Assignment"), Concessionaire shall assign to the Port all rights and obligations of Concessionaire under the Subcontract. Specifically, the Port shall assume the obligation to pay Subcontractor those fees to which Subcontractor is entitled under Sections 5 and 6 of the Subcontract. Additionally, the Port will retain all rights and responsibilities under Sections 5 and 6 of the Subcontract, including but not limited to the rights and obligations related to the determination of the budget for performance of the Subcontract. The Parties agree that this assignment satisfies any consent and notice requirements that the Agreement would purportedly require in Paragraph 9.1.

3. Concessionaire confirms that it will continue to manage the Concession in a manner that does not discriminate against any particular vehicle owner or driver or any particular group of vehicle owners or drivers.

4. Concessionaire agrees to not increase or impose new fees, dues, levies, payments, or charges, however characterized ("Fees") on vehicles, vehicle owners, or drivers who currently are part of Concessionaire's on-demand fleet at the Airport, or who seek to contract with Concessionaire to become part of Concessionaire's on-demand fleet at the Airport, without the Port's express written consent. For avoidance of any doubt, this provision precludes Concessionaire from imposing any Fees not specifically described in Paragraph 8, below.

5. Concessionaire covenants to the Port that it will not terminate the permit or fleet agreement of any vehicle, vehicle owner, or driver, based on acts or omissions that occurred on or before July 10, 2018.

6. Concessionaire agrees that on or before August 31, 2018, Concessionaire will extend to each vehicle owner with whom Concessionaire currently contracts as part of the Concession (Current Owners), the opportunity to renew, per a uniform fleet agreement extended to all Current Owners, the Current Owner's right to provide outbound on-demand taxicab/flat rate for-hire services at the Airport through the end of the Agreement's term. Concessionaire is not obligated to offer to renew the right of

any Current Owner whose fleet agreement has been terminated “for cause,” consistent with the terms of Concessionaire’s fleet agreement, by Concessionaire on or after July 11, 2018.

7. Except as set forth in Paragraph 5, above, nothing in this Second Amendment is intended to, or does, usurp or restrict Concessionaire’s right to terminate the permit or fleet agreement for a particular vehicle or vehicle owner “for cause,” to the extent said termination is consistent with Concessionaire’s rights under its fleet agreement.

8. Concessionaire agrees to impose only the following Fees under the Concession from the date of this Second Amendment through the end of the term of the Agreement:

- a. Through September 30, 2018: \$155 per week per permitted vehicle.
- b. From October 1, 2018 through May 31, 2019: \$155 per week per permitted vehicle.
- c. From June 1, 2019 through September 30, 2019: \$60 per week per permitted vehicle.

Where part of a week falls within a period where the weekly Fee is \$155 and part of the week falls within a period where the weekly Fee is \$60, Concessionaire agrees to pro rate the Fee based on the number of days in the week that fall within each period.

For avoidance of doubt, (i) Concessionaire is still required under this Second Amendment to collect the per trip fee payable to the Port under Paragraph 4.2 of the Agreement, as amended by Section 4.2.1 of the First Amendment and (ii) Paragraph 6.6.3 remains in unaffected by this Second Amendment. The foregoing (i) and (ii) are not considered new Fees.

9. Concessionaire will continue to exercise day-to-day managerial and operations control over Subcontractor’s performance of the Subcontract. However, the Port also will have the right to oversee Subcontractor’s performance of its obligations under the Subcontract, and to oversee Concessionaire’s management of the Subcontract and Subcontractor. Should any dispute between the Parties over Subcontractor’s performance arise, the Port’s direction or position shall control. Except for the duties the Concessionaire will retain pursuant to Paragraph 9 and 10 of this Second Amendment and the Assignment, (i) Concessionaire shall be relieved of responsibility (and joint and several liability) for the Subcontractor’s duties under the Subcontract and (ii) Concessionaire shall be released from performing the Subcontractor’s duties under the Subcontract and those respective portions of the Agreement which are executed through the Subcontract. The Subcontractor shall not be allowed to assign the Subcontract without the Concessionaire’s written consent which shall not be unreasonably conditioned, delayed or withheld.

10. Concessionaire covenants and agrees that for the duration of the Agreement, Concessionaire will continue to perform all duties Concessionaire currently performs under the Agreement, including those duties Concessionaire performs that are related to the Subcontract but not specifically delegated to Subcontractor thereunder. Concessionaire’s performance of these duties remains subject to the Port’s oversight authority under the Agreement and this Second Amendment.

11. Paragraph 4.7 (Audit) of the Agreement shall be interpreted to include the right to inspect and audit Concessionaire’s records with respect to its oversight of SP Plus and the Subcontract.

12. Upon execution of this Second Amendment, and provided and expressly conditioned on the Assignment becoming effective by the Assignment Date/Time, in exchange for the consideration and promises contained herein, Concessionaire shall release and forever discharge the Port, and its agents, officers, employees, and commissioners, from any and all claims, charges, demands, liabilities, actions, offsets, and suits, whether known or unknown, arising on or before the execution of this Second Amendment.

13. Upon execution of this Second Amendment, and provided and expressly conditioned on the Assignment becoming effective by the Assignment Date/Time, and in exchange for the consideration and promises contained herein, the Port shall release and forever discharge Concessionaire from any and all claims, charges, demands, liabilities, actions, offsets, and suits, whether known or unknown, arising on or before the execution of this Second Amendment, relating to the Agreement and Concessionaire's operation of the Concession.

14. The Parties are executing this Second Amendment for the purpose of compromise and settlement of an existing dispute, and in an effort to provide stability and certainty regarding the operation of the Concession at the Airport. Neither the consideration set forth herein, nor the compromise and settlement of said dispute, nor anything contained herein shall be construed to be an admission by either the Port or Concessionaire of liability to the other, or to any other person or entity or to the correctness of the Port's or Concessionaire's respective allegations regarding their rights under the Concession or Agreement. This Second Amendment shall not be construed to create any rights or interests in third persons or entities, including vehicle owners and/or drivers who have contracted with Concessionaire to provide taxi/flat rate for-hire transportation services from the Airport.

15. The Parties incorporate Paragraph 15.6 of the Agreement into this Second Amendment and agree that nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, a partnership, a joint venture, or a joint-employer relationship. Nor is anything in this Agreement intended to create an employment relationship between the Port and any vehicle owner or driver who contracts with Concessionaire to provide taxi/flat rate for hire transportation services from the Airport under the Concession.

16. Except as amended under this Second Agreement, all provisions of the Agreement, as previously amended by the First Agreement, remain in effect.

EASTSIDE FOR HIRE, INC.

PORT OF SEATTLE

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____

ACKNOWLEDGMENT OF EASTSIDE FOR HIRE, INC.

STATE OF WASHINGTON)
)ss.
)
COUNTY OF KING

On this ____ day of _____, 2018, before me, a Notary Public in and for the State of Washington, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the _____ of EASTSIDE FOR HIRE, INC., a Washington corporation, to be the free and voluntary act and deed of said entity for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

NOTARY PUBLIC in and for the State of
Washington, residing at _____
My appointment expires _____
Print Name _____

ACKNOWLEDGMENT OF PORT OF SEATTLE

STATE OF WASHINGTON)
)ss.
)
COUNTY OF KING

On this ____ day of _____, 2018, before me, a Notary Public in and for the State of Washington, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the _____ of the Port of Seattle, a Washington municipal corporation, to be the free and voluntary act and deed of said entity for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

NOTARY PUBLIC in and for the State of
Washington, residing at _____
My appointment expires _____
Print Name _____