

COOPERATIVE AGREEMENT

BY AND BETWEEN

CITY OF HAWTHORNE

AND

CITY OF GARDENA

FOR

FISCAL YEARS 2025-2026 and 2026-2027

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AGREEMENT

THIS Cooperative Agreement made and entered into by and between the CITY OF GARDENA, (hereinafter referred to as GARDENA), and the CITY OF HAWTHORNE, (hereinafter referred to as HAWTHORNE):

WITNESSETH

WHEREAS, GARDENA and HAWTHORNE agree that it is in the public interest to continue to provide paratransit service to the eligible elderly (sixty [60] years and older) and persons with disabilities in the area known as HAWTHORNE, and GARDENA as defined in this AGREEMENT and Exhibit A (hereinafter referred to as SERVICE); and

WHEREAS, HAWTHORNE is willing to finance HAWTHORNE'S jurisdictional share of the cost of SERVICE for the term of this AGREEMENT using HAWTHORNE'S Proposition A Local Return transit funds; and

WHEREAS, because of GARDENA/HAWTHORNE joint program set forth herein, GARDENA shall apply for and the Los Angeles County Metropolitan Transportation Authority (LACMTA) may grant a Proposition A Discretionary Incentive Fund grant through its Subregional Paratransit Grant Program.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by GARDENA and HAWTHORNE and of the promises herein contained, it is hereby agreed as follows:

FIRST: GARDENA agrees to provide SERVICE as described in AGREEMENT and Exhibit A.

SECOND: This AGREEMENT, together with Exhibit A, Scope of SERVICE; Exhibit B, General Requirements; Exhibit C, SERVICE Requirements; Exhibit D, SERVICE Area Map; all attached hereto, constitute the entire AGREEMENT.

THIRD: The term of SERVICE under this AGREEMENT shall be for the period of July 1, 2024, through June 30, 2026.

FOURTH: HAWTHORNE'S maximum obligation under this AGREEMENT is six hundred and sixty thousand dollars and 00/100 Dollars (\$660,000.00). The budget for each fiscal year will be three hundred and thirty thousand and 00/100 Dollars (\$330,000.00). HAWTHORNE'S obligation under this AGREEMENT, and GARDENA's obligation to provide service, are subject to availability of funds in each fiscal year.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by the CITY OF GARDENA on _____, and by the City of Hawthorne on _____, 2025, pursuant to authority delegated by the CITY COUNCIL of the CITY OF HAWTHORNE.

CITY OF GARDENA

APPROVED AS TO FORM:

By _____
Deputy

By _____
Mayor

ATTEST:

By _____
City Clerk

By _____
City Attorney

CITY OF HAWTHORNE

By _____
Director

By _____
Mayor

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

EXHIBIT A – SCOPE OF SERVICE

1. **SERVICE**

GARDENA shall provide eligible riders with paratransit service. GARDENA or its contractor(s) shall furnish SERVICE at such times and places as may be requested according to Exhibit C, SERVICE Requirements and Exhibit D, SERVICE Area Map. GARDENA shall administer, monitor, and evaluate SERVICE.

HAWTHORNE is committed to ensuring that no patron is excluded from participation in, or denied the benefits of, its services on the basis of race, color or national origin as protected by law including Title VI of the Civil Rights Act of 1964, as amended. The GARDENA hereby asserts its commitment and assures it will comply.

2. **Term of SERVICE**

The term of SERVICE under this AGREEMENT shall be for the period of **July 1, 2024, through June 30, 2026.**

3. **Routing and Scheduling**

GARDENA and HAWTHORNE have cooperatively established SERVICE requirements and SERVICE area within GARDENA'S available transportation capacity as described in Exhibits C and D. If the SERVICE may be improved by revisions to scheduling, vehicle assignment, fleet size, or area served, the HAWTHORNE Director of Recreation and Community Services (hereinafter referred to as DIRECTOR), and GARDENA shall plan and institute such changes jointly upon mutual consent and documented by correspondence between the parties.

4. **Fares**

GARDENA shall charge a fare of 75/100 Dollars (\$0.75) per one-way ride for all elderly and persons with disabilities within SERVICE area. Escorts of persons with disabilities shall not be charged a fare. At its discretion, GARDENA may accept payment by Transit Access Pass (TAP) cards.

The fare revenue shall be retained by GARDENA to fund a part of total SERVICE operating costs. HAWTHORNE may request and GARDENA shall accept passes or vouchers issued by HAWTHORNE in lieu of the cash fares specified herein. If it is determined that SERVICE may be improved by revisions to fares, HAWTHORNE and GARDENA may plan and institute such changes jointly upon mutual written consent within the terms of this AGREEMENT after holding any public hearing(s) required by law.

5. Payment for SERVICE

A. SERVICE Cost

HAWTHORNE agrees to pay upon receipt of invoice and documentation thereof from GARDENA, the actual per-ride cost of each ride provided to HAWTHORNE community residents, less all cash fares collected up to the maximum obligation amount per fiscal year set forth in the following Subsection B. below, subject to HAWTHORNE'S right to audit in Section 11 of this AGREEMENT. The per-ride cost shall be calculated monthly based on GARDENA'S actual overall SERVICE operating costs divided by total monthly one-way ridership. Overall SERVICE operating costs shall consist of the cost of marketing the program; providing, operating, and maintaining vehicles, drivers, dispatchers, and other necessary personnel; insurance; and direct administrative overhead costs based on GARDENA records.

B. Maximum Obligation

HAWTHORNE'S maximum obligation under this AGREEMENT six hundred and sixty thousand dollars and 00/100 Dollars (\$660,000.00). The budget for each fiscal year will be three hundred and thirty thousand and 00/100 Dollars (\$330,000.00). HAWTHORNE'S obligation under this AGREEMENT are subject to availability of funds in each fiscal year.

C. Proposition A Discretionary Fund Grant

GARDENA shall apply with LACMTA for a Proposition A Discretionary Fund Grant in the maximum amount possible. Should GARDENA receive the grant, GARDENA shall apply funds to improve SERVICE or to coordinate transportation services. GARDENA shall provide HAWTHORNE with its short-range transit plan, which will suffice as documentation via the budget of the plan that funds are applied to SERVICE.

D. Invoices for SERVICE

GARDENA shall submit invoices for payment along with the Monthly Service Report and documentation, in the form and number required by HAWTHORNE, within 30 calendar days of the end of each month. Subject to acceptance and approval of invoice by HAWTHORNE, payment will normally be made within 30 calendar days of approval.

6. Marketing

GARDENA shall work with HAWTHORNE in promoting SERVICE to eligible HAWTHORNE community residents. All promotional material specifically disseminated to

HAWTHORNE community residents shall include the following: "This service is financed through funds provided by the CITY OF HAWTHORNE."

7. Safety Program

GARDENA or its contractor(s) shall provide regularly scheduled and on-going formal safety instructions for all operating personnel assigned to perform any activities under this AGREEMENT. Such personnel shall be required to attend regularly- scheduled safety meetings at least twice a year or as required by existing regulations.

8. Personnel and Operations

Compensation of all personnel assigned to perform SERVICE under this AGREEMENT shall be in accordance with all applicable Federal, State, and local ordinances and laws, including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). Such personnel shall treat passengers in a courteous manner, be clean and neatly dressed, and be trained in the handling of the elderly and persons with disabilities.

All personnel who are likely to be in contact with the public shall be trained to give accurate information concerning the operations of SERVICE. Upon notice from DIRECTOR concerning unacceptable conduct, demeanor, or appearance of such persons employed by GARDENA or GARDENA'S contractor(s), GARDENA shall take steps necessary to alleviate the cause of concern to DIRECTOR and shall advise DIRECTOR of the steps taken.

HAWTHORNE shall have the right to have authorized HAWTHORNE personnel board any SERVICE vehicle for the purpose of monitoring SERVICE or inspecting vehicle. GARDENA shall have the right to request DIRECTOR to advise GARDENA prior to such action. GARDENA shall work cooperatively with HAWTHORNE to correct on a timely basis any deficiencies or institute improvements noted by HAWTHORNE personnel or inspectors.

GARDENA and/or its contractor(s) shall have the right to refuse SERVICE to any or all passengers if passenger activity will in any way impair the safe operation of any vehicle operating under SERVICE.

9. Equipment Requirements

GARDENA and/or its contractor(s) shall supply sufficient and adequate vehicles and spare vehicles in the event regularly assigned vehicles break down, and a two-way communication dispatch system to ensure the consistent fulfillment of the terms of this AGREEMENT. All vehicles and equipment shall be maintained in good and clean condition, including air conditioning and lift-equipment. The cost of spare vehicles shall be included in GARDENA'S or its contractor's(s') actual overall SERVICE operating costs. GARDENA'S and/or its contractor's(s') equipment and facilities shall meet all requirements of applicable Federal, State, and local laws, including, but not limited to, the Americans with Disabilities Act of 1990.

Further, should GARDENA provide SERVICE by using contractor(s), GARDENA shall actively monitor its contractor's(s') compliance with this AGREEMENT, including the above-mentioned equipment requirements and shall, at all times during the term of this AGREEMENT, ensure that such requirements are satisfied.

10. Recordkeeping and Reporting

GARDENA will provide access to daily ridership logs (i.e., drivers' and dispatchers' logs) or other operational records for SERVICE deemed necessary by DIRECTOR and shall provide copies thereof upon specific request by DIRECTOR. GARDENA shall keep records of all operating costs of SERVICE in accordance with strict accounting procedures. All accidents, defined by law as reportable accidents, involving SERVICE equipment or personnel while operating with HAWTHORNE passengers shall be immediately reported to DIRECTOR. GARDENA shall maintain such operating and fiscal records as necessary to comply with LACMTA Proposition A requirements and procedures and shall maintain all records on file for a minimum of five years following the term of this AGREEMENT. GARDENA shall be responsible for collection of National Transit Database (NTD) data on behalf of HAWTHORNE. GARDENA shall prepare and submit quarterly and annual NTD reports, including HAWTHORNE areas served, in accordance with the Federal Transit Administration NTD guidelines to LACMTA with a copy forwarded to DIRECTOR upon request.

11. Audit and Reimbursement

If, at any time during the term of this AGREEMENT or at any time after the expiration or termination of this AGREEMENT, authorized representatives of HAWTHORNE conduct an audit of GARDENA or GARDENA'S Contractor(s) regarding the services provided to HAWTHORNE per terms of this AGREEMENT and if such audit finds that HAWTHORNE'S dollar liability for such services is less than payments made by HAWTHORNE to GARDENA, then GARDENA agrees that the difference shall be either: 1) repaid immediately by GARDENA to HAWTHORNE by cash payment, or 2) at DIRECTOR'S option, credited against any amounts due by GARDENA to HAWTHORNE, or against any future payments hereunder to GARDENA. If such audit finds that HAWTHORNE'S dollar liability for services provided hereunder is more than payments made by HAWTHORNE to GARDENA, then the difference shall be paid to GARDENA by HAWTHORNE by cash payment provided that in no event shall HAWTHORNE'S maximum obligation, as set forth in this AGREEMENT, be exceeded.

EXHIBIT B – GENERAL REQUIREMENTS

1. Interpretation of AGREEMENT

A. Ambiguities or Discrepancies

Both parties have either consulted or had the opportunity to consult with legal counsel regarding the terms of this AGREEMENT and are fully cognizant of all terms and conditions herein. Should there be any uncertainty, ambiguity, or discrepancy in the terms or provisions hereof, or should any misunderstanding arise as to the interpretation to be placed upon any position hereof or the applicability of the provisions hereunder, neither party shall be deemed as the drafter of this AGREEMENT and the uncertainty, ambiguity, or discrepancy shall not be construed against either party.

B. Definitions

Whenever in the AGREEMENT, Scope of Service, Terms, Requirements, and/or Conditions the following terms are used, the intent and meaning shall be interpreted as follows:

AGREEMENT The written agreement covering the performance of the SERVICE and the furnishing of labor, materials, supervision, and equipment in the performance of the SERVICE.

CITY COUNCIL The HAWTHORNE City Council.

GARDENA The CITY OF GARDENA.

Contractor The person or persons, sole proprietor, partnership, joint venture, corporation or other entity that has entered into an agreement or contract with the GARDENA to perform or execute the SERVICE covered herein.

HAWTHORNE The CITY OF HAWTHORNE, and/or CITY OF HAWTHORNE Department of Recreation and Community Services.

HAWTHORNE's Chief Executive Officer Chief Executive Officer for the CITY OF HAWTHORNE appointed by the CITY COUNCIL.

Day Calendar day(s) unless otherwise specified.

DIRECTOR The Chief of General Services- Public Works of the CITY OF HAWTHORNE or his/her designee.

Fiscal Year The 12-month period beginning July 1st and ending the following June 30th.

Recreation and Community Services CITY OF HAWTHORNE Department of Recreation and Community Services.

SERVICE The entire contemplated SERVICE work scope prescribed in the Scope of Service and covered by this AGREEMENT.

Specifications The directions, provisions, and requirements contained herein, as supplemented by such special provisions as may be necessary pertaining to method, manner, and place of performing the work under this AGREEMENT.

Subcontract An agreement by Contractor to employ a Subcontractor at any tier; to employ or agree to employ a Subcontractor at any tier.

Subcontractor Any individual, person or persons, sole proprietor, firm, partnership, joint venture, company, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to the Contractor in furtherance of the Contractor's performance of this agreement, at any tier, under oral or written agreement.

C. Headings

The headings herein contained are for convenience and reference only and are not intended to define or limit the scope of any provision thereof.

2. Standard Terms and Conditions Pertaining to AGREEMENT Administration

A. Amendments

1. For any change, which affects the scope of service, AGREEMENT sum, payments, or any term or condition included in this AGREEMENT, an amendment shall be prepared and executed by GARDENA and CITY COUNCIL or if delegated by CITY COUNCIL, the DIRECTOR and GARDENA.
2. CITY COUNCIL or HAWTHORNE's Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in this AGREEMENT during the term of this AGREEMENT. HAWTHORNE reserves the right to add and/or change such provisions as required by CITY COUNCIL or the Chief Executive Officer. To implement such changes, an amendment to this AGREEMENT shall be prepared by Recreation and Community Services for execution by GARDENA and DIRECTOR.
3. HAWTHORNE may, at its sole discretion, authorize extensions of time to this AGREEMENT'S term. GARDENA agrees that such extensions of time shall not change any other term or condition of this AGREEMENT during the period of such extensions. To implement an extension of time, an amendment to this AGREEMENT shall be prepared and executed by

GARDENA and CITY COUNCIL or if delegated by CITY COUNCIL, DIRECTOR and GARDENA. To the extent that extensions of time for GARDENA performance do not impact either scope or cost of this AGREEMENT, DIRECTOR may, at her sole discretion, grant GARDENA extensions of time provided; however, the aggregate of all such extensions during the life of this AGREEMENT shall not exceed 60 days.

B. Budget Reduction

In the event that the CITY COUNCIL adopts, in any fiscal year, a HAWTHORNE budget, which provides for reduction in the salaries and benefits paid to the majority of HAWTHORNE employees or imposes similar reductions with respect to HAWTHORNE contracts, HAWTHORNE reserves the right to reduce its payment obligation under this AGREEMENT correspondingly for that fiscal year and any subsequent fiscal year during the term of this AGREEMENT (including any extensions) and the services to be provided by GARDENA under this AGREEMENT shall also be reduced correspondingly. HAWTHORNE'S notice to GARDENA regarding said reduction in payment obligation shall be provided within 30 calendar days of the CITY COUNCIL'S approval of such actions. Except as set forth in the preceding sentences, GARDENA shall continue to provide all of the services set forth in this AGREEMENT.

C. Compliance with Applicable Laws

1. GARDENA, or its Contractor, shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, or directives, and all provisions required thereby to be included in this AGREEMENT are hereby incorporated by reference. This AGREEMENT shall be governed by, and construed in accordance with the laws of the State of California. To the maximum extent permitted by applicable law, GARDENA and HAWTHORNE agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes concerning this AGREEMENT and further agree and consent that venue of any action brought in connection with or arising out of this AGREEMENT, shall be exclusively in HAWTHORNE.
2. GARDENA, or its Contractor, shall defend, indemnify and hold HAWTHORNE harmless from and against any and all liability, damages, costs, expenses including, but not limited to, defense costs and attorney's fees arising from, or related to, any alleged violation on the part of GARDENA or its employees, agents, or Contractors of any such laws, rules, regulations, ordinances, or directives.
3. GARDENA, or its Contractor, will at its sole cost and expense, register and license such buses, bus equipment, and drivers as may be necessary or

required to operate said buses and bus equipment on public roads and streets.

D. Compliance with Civil Rights Laws

GARDENA hereby assures that it will comply with its civil rights obligations under the California Government Code section 12900 et seq. and Chapter 21 of the Civil Rights Act of 1964, as provided in 42 USC Sections 2000e et seq., to the end that no person shall, on the grounds of race, religious creed, color, sex, religion, age, condition of physical disability, marital status, sexual orientation, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this AGREEMENT or under any project, program, or activity supported by this AGREEMENT. GARDENA shall comply with its Equal Employment Opportunity Certification.

E. Employment Eligibility Verification

1. GARDENA warrants that it fully complies with all Federal and State statutes and regulations of all of its employees performing work under this AGREEMENT. GARDENA shall obtain from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603), or as they currently exist and as they may be hereafter amended. GARDENA shall retain all such documentation for all covered employees for the period prescribed by law.
2. GARDENA shall indemnify, defend, and hold harmless, HAWTHORNE, its CITY COUNCIL, agents, officers, and employees from employer sanctions and any other liability, which may be assessed against GARDENA or HAWTHORNE or both in connection with any alleged violation of Federal or State statutes or regulations pertaining to the eligibility for employment of persons performing services under this AGREEMENT.

F. No Payment for Services Provided Following Expiration/Suspension/ Termination of AGREEMENT

GARDENA shall have no claim against HAWTHORNE for payment of any money or reimbursement, of any kind whatsoever, for any service provided by GARDENA after the expiration, suspension, or termination of this AGREEMENT. Should GARDENA receive any such payment, it shall immediately notify HAWTHORNE and shall immediately repay all such funds to HAWTHORNE. Payment by HAWTHORNE for services rendered after expiration/suspension/termination of this AGREEMENT shall not constitute a

waiver of HAWTHORNE'S right to recover such payment from GARDENA. This provision shall survive the expiration/suspension/termination of this AGREEMENT.

G. Notice to Employees Regarding the Federal Earned Income Credit

GARDENA shall notify its employees, and shall require each Contractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015 (Exhibit E).

H. Recordkeeping

GARDENA will retain all records relating to this AGREEMENT for a minimum period of two years following expiration or termination hereof. All such records shall be available for inspection by designated auditors of HAWTHORNE at reasonable times during normal working hours. Records shall be in accordance with the State Uniform System of Accounting.

I. Recycled-Content Paper Products

Consistent with CITY COUNCIL policy to reduce the amount of solid waste deposited at HAWTHORNE landfills, GARDENA agrees to use recycled-content paper to the maximum extent possible for this SERVICE.

J. Warranty Against Contingent Fees

1. GARDENA warrants that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide established commercial or selling agencies maintained by GARDENA for the purpose of securing business.
2. For breach or violation of this warranty, HAWTHORNE shall have the right, in its sole discretion, to terminate this AGREEMENT for default, deduct from this AGREEMENT price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

3. Termination

A. Termination/Suspension of AGREEMENT

Each party reserves the right to suspend or terminate any or all portions of SERVICE in this AGREEMENT for any reason, without further obligation to the other party except as provided in this AGREEMENT, upon giving thirty (30) calendar day's written notice to the other party.

B. Termination/Suspension for Improper Consideration

1. DIRECTOR may, by written notice to GARDENA, immediately suspend or terminate the right of GARDENA to proceed under this AGREEMENT if it is found that consideration, in any form, was offered or given by GARDENA, either directly or through an intermediary, to any HAWTHORNE officer, employee, or agent with the intent of securing this AGREEMENT or securing favorable treatment with respect to the award, amendment or extension of this AGREEMENT, or the making of any determinations with respect to GARDENA'S performance pursuant to this AGREEMENT. In the event of such suspension or termination, HAWTHORNE shall be entitled to pursue the same remedies against GARDENA as it could pursue in the event of default by GARDENA.
2. GARDENA shall immediately report any attempt by a HAWTHORNE officer or employee to solicit such improper consideration. The report shall be made to HAWTHORNE manager charged with the supervision of the employee.
3. Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

C. Termination/Suspension for Nonappropriation of Funds

Notwithstanding any other provision of this AGREEMENT, HAWTHORNE shall not be obligated for GARDENA'S performance hereunder or by any provision of this AGREEMENT during any of HAWTHORNE'S fiscal years following the fiscal year in which the AGREEMENT is executed unless and until CITY COUNCIL appropriates funds for this AGREEMENT in HAWTHORNE'S budget for each such future fiscal year. In the event that funds are not appropriated for this AGREEMENT, then this AGREEMENT may be suspended or terminated as of June 30 of the last fiscal year for which funds were appropriated. HAWTHORNE will notify GARDENA in writing of any such non-allocation of funds at the earliest possible date.

4. Indemnification and Insurance Requirements

- A. In addition to all other indemnities in favor of HAWTHORNE in this AGREEMENT, GARDENA shall indemnify, defend, and hold harmless HAWTHORNE, CITY COUNCIL, its officers, agents, employees, and its special districts, from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever including, but not limited to, bodily injury, death, or property damage arising from or connected with any alleged act or omission of GARDENA, or its contractor(s) in connection with the SERVICE, including, but not limited to maintenance of equipment or operation of SERVICE, including any workers' compensation suits, liability, or expense. GARDENA expressly waives application of Government Code Section 895.2, which provides for joint and several liabilities of public entities entering into agreements absent inclusion of an indemnity provision to the contrary. The provisions of Section 2778 of the California Civil Code are made a part hereof.

In addition, without limiting the GARDENA'S foregoing indemnity in favor of HAWTHORNE, if GARDENA provides SERVICE through a Contractor, GARDENA shall use its best effort to include in its contract with any Contractor(s) providing SERVICE under this AGREEMENT a provision with the above terms whereby the Contractor(s) agree(s) to indemnify, defend, and hold harmless HAWTHORNE, CITY COUNCIL, its officers, agents, employees, and special districts, as third-party beneficiaries, on the same basis the GARDENA indemnifies, defends, and holds harmless the HAWTHORNE under this AGREEMENT.

- B. Without limiting GARDENA'S and GARDENA Contractor's indemnification of HAWTHORNE, during the term of this AGREEMENT, GARDENA shall provide and maintain, or if GARDENA'S Contractor provides SERVICE, GARDENA shall ensure that its Contractor(s) provide and maintain, the program(s) of insurance covering its operations hereunder as specified in Section 4.E.

Such program(s) and evidence of insurance shall be satisfactory to DIRECTOR and primary to and not contributing with any other insurance maintained by or for HAWTHORNE. Certificate(s) or other evidence of coverage shall be delivered to DIRECTOR prior to commencing SERVICE under this AGREEMENT and shall contain the express condition that HAWTHORNE is to be given written notice by registered mail at least 30 calendar days in advance of any modification or termination of insurance. Evidence of insurance program(s) shall be as specified in Exhibit F.

C. GARDENA'S obligations to indemnify, defend, and hold harmless in this AGREEMENT in favor of HAWTHORNE shall survive the termination or expiration of this AGREEMENT.

D. GARDENA, or its Contractor(s), shall maintain the following insurance coverage:

1. Liability

Such insurance shall be endorsed naming HAWTHORNE as an additional insured as follows:

The City of Hawthorne, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers are included as additional insured with respect to transportation services provided by the named insured.

This statement must appear exactly as written on all certificates of insurance for liability coverage.

Such insurance shall include:

a) General liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations; contractual; independent Contractors; advertising; products/completed operations; broad form property damage; and contractual, independent Contractor, and personal injury with a combined single limit of not less than Four Million and 00/100 Dollars (\$4,000,000.00) per occurrence.

i. If written with an annual aggregate limit, the policy limit should be three times the above-required occurrence limit.

ii. If written on a claim form, GARDENA shall be required to provide an extended two-year reporting period commencing upon termination or cancellation of this AGREEMENT.

A certificate evidencing such insurance coverage and an endorsement naming HAWTHORNE as additional insured thereunder shall be filed with DIRECTOR prior to GARDENA providing SERVICE hereunder.

- b) Automobile liability insurance endorsed for all owned, hired, and nonowned vehicles in an amount as recommended by the Public Utilities Commission, but not less than the following:
 - i. Seating capacity of 16 passengers or more (including driver), Ten Million and 00/100 Dollars (\$10,000,000.00).
 - ii. Seating capacity of 15 passengers or less (including driver), Five Million and 00/100 Dollars (\$5,000,000.00).

A certificate evidencing such insurance coverage and an endorsement naming HAWTHORNE as additional insured thereunder shall be filed with DIRECTOR prior to GARDENA providing SERVICE hereunder.

2. Workers' Compensation

A program of workers' compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California including employer's liability with a One Million and 00/100 Dollars (\$1,000,000.00) limit, covering all persons GARDENA is legally required to cover.

A certificate evidencing such insurance coverage shall be filed with DIRECTOR prior to GARDENA providing SERVICE hereunder.

3. Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than Two Million and 00/100 Dollars (\$2,000,000.00) per claim and Two Million and 00/100 Dollars (\$2,000,000.00) aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

4. City Contractor(s)

Insurance requirements stated above apply to all City Contractor(s) as well as GARDENA, provided, however, that DIRECTOR will accept evidence from GARDENA of self-insurance program, which meets the requirements stated above.

5. Failure to Procure Insurance

Failure on the part of GARDENA or GARDENA'S Contractor(s) to procure or maintain required insurance shall constitute a material breach of this AGREEMENT upon which HAWTHORNE may, at its sole and absolute discretion, immediately terminate this AGREEMENT.

EXHIBIT C – SERVICE REQUIREMENTS

Eligibility Requirements: SERVICE shall be restricted to the elderly (sixty [60] years and older) and persons with disabilities and their escorts. Eligible disabled persons are persons who because of physical or mental disabilities cannot reasonably use conventional transportation. HAWTHORNE shall determine the eligibility of patrons and HAWTHORNE shall maintain appropriate records (i.e., Application for Eligibility, List of Eligible Riders, etc.) and take any actions necessary to ensure that only eligible patrons use SERVICE.

Service Area: SERVICE shall be provided in GARDENA, HAWTHORNE and designated satellite areas. GARDENA and DIRECTOR may approve service to additional locations.

Hours of Service:

6:00 a.m. to 5:00 p.m., Monday through Friday
10:00 a.m. to 5:00 p.m., Saturdays

Modified weekend schedule on: Presidents' Day and Veterans Day. **No service on:** New Year's Day, Martin Luther King Jr. Day, Memorial Day, Juneteenth, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day.

Advance Reservation Requirements: Passengers may schedule a reservation 24-48 hours in advance. Same-day service may be accommodated based on available capacity but is not guaranteed. Upon confirmation of a reservation, passengers will be assigned a 20-minute pickup window following their requested pickup time. A guaranteed "arrive-by" time will be provided at the time the reservation is made. GARDENA will provide backup service to patrons in emergencies when deemed necessary by GARDENA to satisfy needs and avoid disruption of normal SERVICE at no additional cost to HAWTHORNE. Group rides shall be emphasized and encouraged.

Fares: GARDENA shall charge a fare of 75/100 Dollars (\$0.75) per one-way ride for all elderly and persons with disabilities within SERVICE area. Escorts of persons with disabilities shall not be charged a fare.

The fare revenue shall be retained by GARDENA to fund a part of total SERVICE operating costs pursuant to Section 5.A. of Exhibit A – SCOPE OF SERVICE. HAWTHORNE may request and GARDENA shall accept passes or vouchers issued by HAWTHORNE in lieu of the cash fares specified herein. If it is determined that SERVICE may be improved by revisions to fares, HAWTHORNE and GARDENA may plan and institute such changes jointly upon mutual written consent within the terms of this AGREEMENT after holding any public hearing(s) required by law.

EXHIBIT D – SERVICE AREA MAP

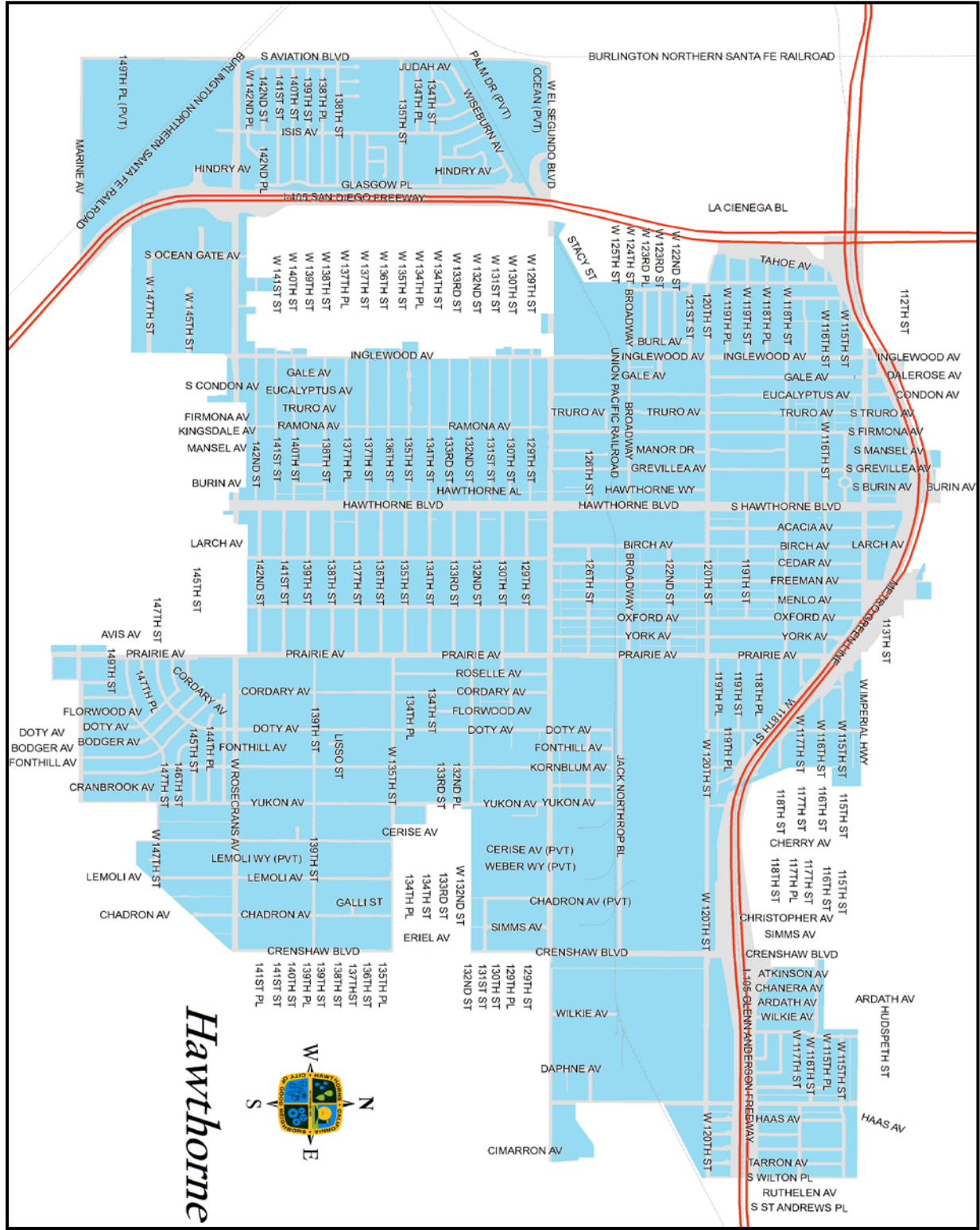


EXHIBIT E – EVIDENCE OF INSURANCE PROGRAMS

GARDENA shall submit to HAWTHORNE evidence of satisfactory insurance programs' and vehicle's information as required below:

1. Certificate of insurance, which specifically identifies this AGREEMENT and which, includes but not limited to, the following:
 - a. Full name of the insurer
 - b. Name and address of the insured and, if SERVICE is provided in whole or in part by taxicabs, the taxicabs' operators name
 - c. Full name of program (example: Happy Seniors' Dial-A-Ride)
 - d. Insurance policy number
 - e. Type(s) and limit(s) of liability coverage
 - f. Certificate issue date
 - g. Certificate expiration date
 - h. Condition that the insurer shall notify HAWTHORNE in writing at least 30 calendar days prior to any modification or cancellation or termination of any insurance program. Statements to the effect that the issuing company will "endeavor to mail notice" or "intends to notify" are not acceptable
 - i. *Signature of an agent* authorized to do business with the insurer

2. Copies of endorsements for each policy or program insurance naming HAWTHORNE as the additional insured as follows:

The CITY OF HAWTHORNE, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers are included as additional insured with respect to transportation services provided by the named insured.

3. The following information for each of the insured vehicle(s):
 - a. Vehicle make
 - b. Vehicle model
 - c. Vehicle year
 - d. Vehicle license number
 - e. Vehicle identification number
 - f. Vehicle seating capacity