ARINC

4553 GLENCOE AVENUE, #100
MARINA DEL REY, CA 90292

30235
SECURITY TRAINING, SUPPORT, & EXTENDED MAINTENANCE AGREEMENT

PREPARED FOR

LONG BEACH AIRPORT

JUNE 27, 2007

30235
Service Agreement
Between
ARINC Incorporated
And
Long Beach Airport

This Service Agreement ("Agreement") is entered into as of ̧September, 2007 ("Effective Date") between ARINC Incorporated, having a place of business at 2551 Riva Road, Annapolis, MD 21401-7564 (hereinafter referred to as "ARINC") and City of Long Beach, a municipal corporation, having a place of business at the 333 W. Ocean Blvd, Long Beach, CA 90802 (hereinafter referred to as "Customer"). ARINC and Customer are each individually sometimes referred to herein as "Party" and collectively as "Parties".

Recitals

WHEREAS, ARINC has installed and placed into operation its Software (as defined below) and Equipment at Customer's facilities; and

WHEREAS, Customer desires to have ARINC provide certain maintenance and support services as set forth herein, on the Software and Equipment; and

WHEREAS, ARINC submitted a Proposal For Training And Support With Extended Maintenance for The Security Improvement Project Prepared For Long Beach Airport dated May 3, 2007 (hereinafter referred to as "the Proposal"); and

WHEREAS, ARINC is willing to provide maintenance and support services for Customer on the Software and Equipment as set forth herein; and

WHEREAS, ARINC understands that the primary objective of the maintenance and support services described by this Agreement is to keep the Software and Equipment operating and performing at optimal conditions and in accordance with the specifications described in the Agreement.

NOW THEREFORE, in consideration of the foregoing and the promises and covenants set forth herein, and intending to be legally bound, the parties agree as follows:

1.   *Definitions*

       i.   "Additional Services" shall mean any services not included in Section 2 and 3 of the EXHIBIT F – Statement of Work.

       ii.   "Deliverable" shall mean any Hardware, Software, Services or System provided under this Agreement.

       iii.   "Error" means as a substantial and reproducible failure of the Software to perform in accordance with its specification.

       iv.   "Exhibits" contained in this document are as follows:

- EXHIBIT A – Description of Additional Customer Services
- EXHIBIT B – Deficiency Report Form
- EXHIBIT C – Customer Requested Additional Services Form
- EXHIBIT D – ARINC Labor Rate Schedules
- EXHIBIT E – List of Hardware, Software, & Spares
- EXHIBIT F – Statement of Work
- EXHIBIT G – List of Abbreviations

v.   "Hardware" shall refer to the hardware listed in EXHIBIT E List of Hardware, Software and Spares Long Beach Airport attached to this Agreement.

vi.   "Software" shall mean the software identified in EXHIBIT E List of Hardware, Software and Spares Long Beach Airport attached to this Agreement.

vii.   "Services" shall be as described in the Sections 2 and 3 of EXHIBIT F – Statement of Work.

viii.   "Software License Agreement" shall mean the non-exclusive, non-perpetual, and non-transferable license entered into between ARINC and the Customer for the use of the Software identified in EXHIBIT E List of Hardware, Software and Spares Long Beach Airport attached to this Agreement.

ix.   "System" shall refer to the suite of Hardware and Software originally installed including changes and modifications as acknowledged by ARINC subsequent to system delivery by ARINC.

2.   **Description of Services**

a. In reliance upon the information provided in the Bill of Materials of this Agreement, ARINC shall provide the on-call services set forth in Section 2 of EXHIBIT F – Statement of Work labeled 2.0 Service Support Program. In addition, maintenance will also be scheduled per agreement. The scope of the maintenance services is documented in Section 3 of EXHIBIT F – Statement of Work labeled 3.0 Maintenance. ARINC shall provide any Additional Services on a time and material ("T&M") basis, as agreed to by the Parties. Where Additional Services are requested, ARINC shall provide a written proposal and the Parties shall agree upon the estimated number of hours required for scheduled on-site maintenance activity prior to ARINC performing any work Telephone support can be provided on a T&M basis. Hardware and Software maintenance may be ordered on a T&M or Firm Fixed Price (FFP) basis. The scope of the maintenance services is documented in Section 2 and 3 of EXHIBIT F – Statement of Work.

b. The Customer may request ARINC to perform Additional Services. ARINC shall perform Additional Services either on a FFP or T&M basis. Authorization for Additional Services shall be documented and signed by authorized representatives of the Parties by use of Exhibit B to this Agreement.

3.   **Term of the Agreement**

ARINC shall support and maintain the System for a period of sixty (60) months ("Initial Term") beginning on the Effective Date. Payment for Additional Services shall be made within thirty (30) days of the date of an invoice for such Additional Services.

4. Charges

a. ARINC's labor rates, for performance of Additional Services, are set forth in Exhibit D. ARINC's labor rate schedule includes time and material rates for T&M services and for scheduled maintenance services. ARINC's labor rates for the on-call service are based on ARINC's ability to jointly troubleshoot with an on-call LGB Security System Administrator, when appropriate, to perform diagnostic testing and repair of the System. All travel, materials, ODCs and subcontractor costs incurred for Additional Service will be billed on a cost reimbursable basis plus twenty percent (20%) mark up.

b. All charges are payable within thirty (30) days of the date of an invoice for such charges to the address for payment stated on ARINC's invoice.

c. A late charge of the lesser of (i) one and one half (1.5) percent per month, or (ii) the maximum percentage permitted by law (the "Late Charges") shall be payable by Customer with respect to any amount not paid within ninety (90) days of the date of the invoice, except for any amount in good faith dispute. Where such amount in dispute is resolved, such resolved amount shall become immediately due and payable.

d. Invoices for Additional Services will be issued upon completion of work or as otherwise agreed to between the Parties prior to rendering of such Additional Services.

e. If the Customer fails to pay within thirty (30) days after receipt of a written notice of the Customer's failure to pay an ARINC's invoice within forty-five (45) days of the invoice date, ARINC may, at its sole option, suspend its performance hereunder or immediately terminate this Agreement.

f. Fees for Additional Services provided on a T&M basis shall be at the labor rates set forth in Exhibit D. The minimum number of hours charged for such services shall be four (4) hours.

g. Charges are exclusive of any and all taxes, duties, levies, customs, or other governmental fees, except for taxes on the income of ARINC. Where pre-paid by ARINC, Customer shall reimburse ARINC for all such taxes and fees, as indicated on an invoice.

h. If ARINC is requested to perform Services that are not included within the scope of Section 2 and 3 of EXHIBIT F – Statement of Work, the Customer will be required to reimburse ARINC for the associated costs according to the T&M rates presented in Exhibit D. This includes specific incidences where the Customer detects a problem(s) and initially identifies it as Software related, when in fact it is determined by ARINC or their representative to be Hardware related. In these cases, the costs incurred by ARINC or its representative will be reimbursed by the Customer according to the aforementioned T&M rates and Terms and Conditions.

i.   Payment for scheduled work for periods exceeding thirty (30) days in duration shall be made on a monthly basis with payment due thirty (30) days from the first day of such monthly remuneration.

5.   *Eligibility for Service*

Unless otherwise agreed upon by ARINC, the Services performed under this Agreement shall be limited to Systems identified in Section 2.0 Service Support Program and 4.0 Maintenance of EXHIBIT F – Statement of Work.   The availability and/or the performance of the Services is conditioned upon payment by the Customer of its invoices, compliance with the terms of this Agreement, and the continued availability of any needed third party equipment, hardware, or third party software licenses.

6.   *Customer Responsibilities*

The Customer undertakes, at its own expense to:

a.   allow access to the System by ARINC's authorized representative(s) at a time mutually agreeable to the Parties, and shall ensure that each Service call can be carried out in accordance with current applicable rules and regulations, including but not limited to those related to safety; and

b.   ensure the participation and/or availability of escorts and technical staff with knowledge of the Customer Systems and facilities during Service calls, if requested in advance with reasonable notice by ARINC; and

c.   make available to the ARINC's authorized representative(s) facilities enabling them to carry out the Service such as, for example, a telephone, a fax line; and

d.   have in place written policies and procedures required to protect and safeguard the Customer's computer data, programs and files, and to take all necessary steps to ensure compliance with all confidentiality and security requirements with ARINC being provided copies of such written policies and procedure prior to the start of Services. ARINC will follow these policies and procedures; and

e.   provide all needed access rights and use rights to third party software to the extent such third party software is provided by the Customer; and

f.   provide all needed descriptions and specifications to Customer's developed applications which require the use of special or proprietary hardware; and

g.   provide complete and accurate information to ARINC in regard to all "Errors".

7.   *ARINC's Warranty*

ARINC warrants that it will provide the maintenance Service in a workmanlike manner consistent with good technical practice by duly qualified personnel.   ARINC will make commercially reasonable best efforts to correct all hardware and or software problems reported within the agreed upon hours for each on-call maintenance action.

8.   Limitation of Warranty and Liability

THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, RELIANCE, STATUTORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM SERVICES PROVIDED HEREUNDER EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. The provision of this Agreement allocates the risks hereunder between Customer and ARINC and the costs for the maintenance Service reflect this allocation of risk and limitation of liability.

9.   Indemnity

ARINC shall defend, save, hold harmless, and indemnify the Customer and their officers, employees, agents, from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) of any nature whatsoever resulting from, arising out of, or relating to the activities of ARINC or its officers, employees, subcontractors, or agents under this Agreement ("Claim"), except for those damages caused by or attributed to the negligent acts or omissions, or willful misconduct of the Customer. ARINC specifically acknowledges and agrees that it has an immediate and independent obligation to defend from any Claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such Claim is tendered to ARINC by the Customer and continues at all times thereafter. The Customer shall notify ARINC of any Claim against the Customer which is covered by this provision and shall, at the Customer's option, authorize representatives of ARINC, at ARINC's sole cost and expense, to settle or defend any such Claim and to represent the Customer in, or to take charge of, any litigation or other form of dispute resolution in connection therewith. If the Customer does not expressly authorize ARINC or ARINC's authorized representative to settle any Claim which would increase the Customer's responsibilities or obligations, or would waive a material right of the Customer, ARINC shall not settle such Claim without the express written consent of the Customer, such consent not to be unreasonably withheld or delayed.

10.   Termination

Except as otherwise specified in this Agreement, this Agreement may be terminated at any time by mutual agreement of the parties.

11.   Governing Law

This Agreement shall be construed in accordance with the laws of the State of California.

12.   Assignment

This Agreement shall not be transferred or assigned by the Customer or ARINC without the prior written consent of either Party, such consent not to be unreasonably withheld. Any attempted assignment without either Party's prior written consent shall be void.

13.   Title

a. Software and Documents: All applicable ownership rights to patents, copyrights, trademarks, and trade secrets ("Intellectual Property") in the Software and documents provided under this Agreement, and the improvements, modifications and changes thereto are and shall remain in ARINC or the applicable third party software provider and ARINC represents that it either owns or is authorized to sublicense such Intellectual Property, including all improvements, modifications, and changes thereto. Any changes, additions, fixes, modifications, enhancements, and or changes of any kind or nature to the Software or documentation as may be provided under this Agreement are proprietary to ARINC and all rights, title and interest thereto shall belong exclusively to ARINC. The Customer shall not sell, transfer, publish, disclose, display or otherwise make available the Software/Documents or improvements, modifications or changes thereto or copies thereof to others. The Customer agrees to secure and protect each program, Software product and copies thereof in a manner consistent with the maintenance of ARINC's rights therein and to take appropriate action by instruction or agreement with its employees who are permitted access to each program or Software to satisfy its obligations hereunder. All copies of the Software and Documents, or improvements, modifications or changes thereto made by the Customer including translations, compilations, partial copies with modifications and updated works are the property of ARINC. Violation of any provisions herein shall be the basis for immediate termination of this Agreement. Termination of this Agreement shall be in addition to and not in lieu of any legal and or equitable remedies available to ARINC.

b. Hardware: Upon receipt of payment in full by ARINC, any Hardware installed in the System by ARINC under the terms of this Agreement shall belong to the Customer.

14.   Clause Headings

The headings and subheadings of clauses contained herein are used for convenience and ease of reference and do not limit the scope or intent of the clause.

15.   Notices

All notices, requests, demands, and other communications made in connection with this Agreement shall be in writing and shall be deemed to have been duly given on the date of delivery if delivered by hand delivery or if mailed by certified or registered mail postage prepaid return receipt requested addressed as follows:

ARINC Incorporated
2551 Riva Road
Annapolis, MD 21401
Attention: V.P., Corp.
Contracts and Procurement

City of Long Beach
333 W. Ocean Boulevard
Long Beach, CA 90802
Attention: _____

Such addresses may be changed, from time to time by means of a notice given in the manner provided in this Section.

16. Force Majeure

No Party to this Agreement is responsible to the other for nonperformance or delay in performance of the terms and conditions herein due to acts of God, acts of government (including the receipt, denial, or limitation/restrictions on any export license), wars, riots, strikes, accidents in transportation, fuel or materials shortages, or other causes beyond the control of the Parties and which could not have been reasonably foreseen or prevented.

17. Attorneys' Fees

In addition to any other relief awarded, the prevailing Party in any action arising out of or relating to this Agreement will be entitled to its reasonable attorneys' fees and costs.

18. Counterparts

This Agreement may be signed in counterparts with the same effect as if the signatures to each Party were upon a single instrument. All counterparts shall be deemed an original of this Agreement.

19. Waiver

The waiver of any term or condition of this Agreement by any Party shall not be construed as a waiver of a subsequent breach of failure of the same term or condition, or a waiver of any other term or condition in this Agreement, and shall only be effective if signed by an executive officer or authorize representative of such Party.

20. Severability

If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent.

21. Independent Contractor

The parties agree that at all times during the term of this Agreement, ARINC shall continue to be an independent contractor, and is not authorized as, nor shall be deemed to be an employee, agent or representative of the Customer. ARINC shall have control of ARINC's work and the manner in which it is performed. ARINC shall be free to contract for similar services to be performed for others during this Agreement; provided, however, that ARINC acts in accordance with Section 22 of this Agreement. ARINC acknowledges and agrees that:

a. the Customer will not withhold taxes of any kind from ARINC's compensation;

b. the Customer will not secure workers' compensation or pay unemployment insurance to; for or on ARINC's behalf; and

c. the Customer will not provide and ARINC is not entitled to any of the usual and customary rights, benefits or privileges of Customer's employees. ARINC expressly warrants that neither ARINC nor any of ARINC's employees or agents shall represent themselves to be employees or agents of the Customer.

22.   *Confidential Information*

All materials, information and data prepared, developed or assembled by ARINC or furnished to ARINC in connection with this Agreement, including but not limited to documents, estimates, calculations, studies, maps, graphs, charts, computer disks, computer source documentation, samples, models, reports, summaries, drawings, designs, notes, plans, information, material and memorandum ("Data") shall be governed by a Nondisclosure Agreement ("NDA") signed by the Parties.

23.   *Dissolution, Etc.*

Either Party may terminate this Agreement upon the dissolution or termination of existence of the other, the insolvency of the other, an assignment for the benefit of creditors by the other, the appointment of a trustee or receiver for any part of the other's property or the filing by or against the other of any petition in bankruptcy or under any bankruptcy statute which filing remains un-discharged for thirty (30) days.

24.   *Amendment*

This Agreement shall not be amended except by a writing duly executed by an executive officer of each of the Parties.

25.   *Nonsolicitation*

For the duration of this Agreement and two (2) years thereafter Customer agrees that it shall not solicit for employment or hire employees of ARINC that are involved with performing Services relating to this Agreement, or any independent contractors engaged by ARINC who perform Services relating to this Agreement, without ARINC's prior written consent.

26.   *Insurance*

As a condition precedent to the effectiveness of this Agreement, ARINC shall procure and maintain at ARINC's expense for the duration of this Agreement from insurance companies that are admitted to write insurance in California or from authorized non-admitted insurance companies that have ratings of or equivalent to A:VIII by AM Best Company the following insurance:

(a) Commercial general liability insurance (equivalent in scope to ISO form CG 00 0111 85 or CG 00 01 11 88) in an amount not less than $1,000,000 per each occurrence and $2,000,000 general aggregate. This coverage shall include but not be limited to broad form contractual liability, cross liability, independent contractors liability, and products and completed operations liability, Customer, its officials, employees and agents shall be named as additional insureds by endorsement (on Customer's endorsement form or on an endorsement equivalent in scope to ISO form CG 20 10 11 85 or to both CG 20

10 1001 and CG 20 37 1001), and this insurance shall contain no special limitations on the scope of protection given to Ci1y, its officials, employees and agents.

(b) Workers' Compensation insurance as required by the California Labor Code and employer's liability insurance in an amount not less than $1,000,000.

(c) Professional liability or errors and omissions insurance in an amount not less than $1,000,000 per claim.

(d) Commercial automobile liability insurance (equivalent in scope to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an amount not less than $500,000 combined single limit per accident.

    i. Any self.-insurance program, self-insured retention, or deductible must be separately approved in writing by Customer's Risk Manager or designee and shall protect Customer, its officials, employees and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention or deductible provisions. Each insurance policy shall be endorsed to state that coverage shall not be reduced, non-renewed or canceled except after thirty (30) days prior written notice to Customer, and shall be primary and not contributing to any other insurance or self insurance maintained by Customer. ARINC shall notify Customer in writing within five (5) days after any insurance has been voided by the Insurer or cancelled by the insured. If this coverage is written on a "claims made" basis, it must provide for an extended reporting period of not less than one year, commencing on the date this Agreement expires or is terminated, unless ARINC guarantees that ARINC will provide to Customer evidence of uninterrupted, continuing coverage for a period of not less than three (3) years, commencing on the date this Agreement expires or is terminated.

    ii. ARINC shall require that all subconsultants or contractors that ARINC uses in the performance of these services maintain insurance in compliance with this Section unless otherwise agreed in writing by Customer's Risk Manager or designee.

    iii. Prior to the start of performance, ARINC shall deliver to Customer certificates of insurance and the endorsements for approval as to sufficiency and form. In addition; ARINC shall, within thirty (30) days prior to expiration of the Insurance, furnish to Customer certificates of insurance and endorsements evidencing renewal of the insurance. Customer reserves the right to require complete certified copies of all policies of ARINC and ARINC's subconsultants and contractors, at any time. ARINC shall make available to Customer's Risk Manager or designee all books, records and other information relating to this insurance, during normal business hours.

    iv. Any modification or waiver of these insurance requirements shall only be made with the approval of Customer's Risk Manager or designee. Not more frequently than once a year, Customer's Risk Manager or designee may require that ARINC, ARINC's subconsultants and contractors change the amount, scope or

types of coverages required in this Section if, in his or her sole opinion, the amount, scope or types of coverages are not adequate.

v. The procuring or existence of insurance shall not be construed or deemed as a limitation on liability relating to ARINC's performance or as full performance of or compliance with the indemnification provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto, by and through their authorized representatives, do approve and accept this Agreement as of the date first stated above.

ARINC Incorporated

By: _____

Name: __David J. Morrissey__

Title: __V. P., Airport & Surface Transp.__

Date: __8·13·2007__

By: _____

Name: __A. JAMES SADLER__

Title: __Treasurer and Assistant Secretary__

Date: __8·13·2007__

City of Long Beach

By: _____

Name: __Anthony W. Batts__

Title: __City Manager__

Date: __9·10·07__

APPROVED AS TO FORM

_____ 9/6, 2007

ROBERT E. SHANNON, City Attorney

By _Howl Conway_____
DEPUTY CITY ATTORNEY

EXHIBIT A
Service Agreement
Description of Additional Services

If the Customer requests Additional Services as documented in the form contained in Exhibit C and ARINC agrees to perform the same, ARINC shall charge Customer in the following manner:

a. ARINC shall provide the Customer a fixed price for the effort, or

b. ARINC shall perform the effort on a Time and Material basis. The amount due from the Customer to ARINC shall be computed by multiplying the appropriate hourly rate for the appropriate calendar year in Exhibit D for the individual assigned by the number of direct labor hours performed by either ARINC or its subcontractors. Fractional parts of an hour shall be payable on a prorated basis. Customer shall pay ARINC for each hour worked. All travel, materials, Other Direct Costs (ODC's) and subcontractor costs incurred for ad-hoc service will be billed on a cost reimbursable basis plus 20 percent mark up.

GENERAL NOTES:

1. **ARINC may elect to perform all or part of the services under this Agreement with ARINC employees or authorized subcontractors.**

IN WITNESS WHEREOF, the parties hereto, by and through their authorized representatives, do approve and agree to the above.

ARINC Incorporated

By: _____

Name: ___David J. Morrissey___

Title: ___V.P. Airport + Surface Transp___

Date: ___8-13-2007___

City of Long Beach

By: _____

Name: ___Anthony W. Batts___

Title: ___City Manager___

Date: ___9.10.07___

APPROVED AS TO FORM

_____ 9/10, 20 07

ROBERT E. SHANNON, City Attorney

By ___Amy C. Conway___
                    DEPUTY CITY ATTORNEY

EXHIBIT B
Deficiency Report Form

Pursuant to the provisions of the Agreement, this document is to be completed and forwarded to ARINC support offices in _____ to receive technical assistance. It is important to provide as much description of the problem(s) that you are experiencing so that the ARINC technical staff may quickly assess the situation and affect a timely resolution. This report form may be sent via e-mail to SecurityService@arinc.com.

Customer to Complete:

Date Initiated: ____--____--____   Date Faxed: ____--____--____

Reporter's Name: _____   Reporter's Phone Number: _____

Date and Time Problem First Identified:

Software Module: _____   Version: _____   Trace Available: Y ___ N ___

Description of Software Deficiency:

Impact:

Hardware Item: _____   Part No. _____   Serial No. _____

Description of Hardware Deficiency:

By: _____
Name: _____
Telephone No.: _____
Fax No.: _____
E-mail : _____

EXHIBIT C
Customer Requested Additional Services Form

1. Description of Additional Services: _____

_____

_____

_____

2. Price:

    a. The fixed price for the performance of the above effort is _____ , or

    b. The above additional services will be performed on a time and material basis, with an estimated ceiling price of _____. For time and material efforts, the following shall be applicable:

        (1) The minimum time charged for such service shall be four (4) hours, including travel time to and from the site.

        (2) ARINC's rates for performance of the Services are set forth in Exhibit D. ARINC's rate schedule includes time and material rates for both ad hoc (T&M) services and for scheduled maintenance services. ARINC's rates for the on-call service are based on ARINC being permitted to "dial in" to the System, when appropriate, to perform diagnostic testing and repair of the System. All travel, materials, ODCs and subcontractor costs incurred for ad-hoc service will be billed on a cost reimbursable basis plus 20 percent mark up.

    c. The above price for this additional service shall be in addition to the price set forth in the Agreement for the performance of the Services, and any previous "Additional Services" effort agreed to by the parties.

3. Terms: Except as set forth above, the terms and conditions of the Agreement shall be applicable to the Additional Services effort.

IN WITNESS WHEREOF, the parties hereto, by and through their authorized representatives do approve and agree to the above.

ARINC Incorporated	**Customer**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT D
ARINC Labor Rate Schedules

Section A)   <u>ARINC RATES AD HOC SERVICES</u>

<u>ITEM</u>	<u>CONTRACT TYPE</u>	<u>DESCRIPTION/ LABOR CATEGORIES</u>	<u>RATE PER HOUR</u>
1	**TIME & MATERIALS**	<u>EMERGENCY SERVICES FOR 2007:</u>	
		PROGRAM DIRECTOR/FUNCTIONAL AREA SPECIALIST	$ 273.00
		SENIOR MANAGER/SR. PM/QA/CHIEF ENGINEER	$ 238.00
		LEAD COMMS ENGINEER/LEAD SW/HW ENGINEER/PM/SR. TRANSPORT. SPECIALIST	$ 215.00
		SR. COMMS ENGNR/TRANSPORT. SPECIALIST/SR. HW/SW	$ 192.00
		COMMS ENGNR/SW/HW ENGINEER/SR. SYSTEMS INTEGRATOR/SR. ANALYST	$ 173.00

<u>ITEM</u>	<u>CONTRACT TYPE</u>	<u>DESCRIPTION/ LABOR CATEGORIES</u>	<u>RATE PER HOUR</u>
2	**TIME & MATERIALS**	<u>EMERGENCY SERVICES FOR 2008:</u>	
		PROGRAM DIRECTOR/FUNCTIONAL AREA SPECIALIST	$ 287.00
		SENIOR MANAGER/SR. PM/QA/CHIEF ENGINEER	$ 250.00
		LEAD COMMS ENGINEER/LEAD SW/HW ENGINEER/PM/SR. TRANSPORT. SPECIALIST	$ 226.00
		SR. COMMS ENGNR/TRANSPORT. SPECIALIST/SR. HW/SW	$ 202.00
		COMMS ENGNR/SW/HW ENGINEER/SR. SYSTEMS INTEGRATOR/SR. ANALYST	$ 182.00

Section B)   <u>ARINC RATES SCHEDULED MAINTENANCE SERVICES</u>

<u>ITEM</u>	<u>CONTRACT TYPE</u>	<u>DESCRIPTION/ LABOR CATEGORIES</u>	<u>RATE PER HOUR</u>
1	**TIME & MATERIALS**	<u>NON-EMERGENCY SERVICES FOR 2007:</u>	
		PROGRAM DIRECTOR/FUNCTIONAL AREA SPECIALIST	$197.81
		SENIOR MANAGER/SR. PM/QA/CHIEF ENGINEER	$183.04
		LEAD COMMS ENGINEER/LEAD SW/HW ENGINEER/PM/SR. TRANSPORT. SPECIALIST	$167.21
		SR. COMMS ENGNR/TRANSPORT. SPECIALIST/SR. HW/SW	$158.14
		COMMS ENGNR/SW/HW ENGINEER/SR. SYSTEMS INTEGRATOR/SR. ANALYST	$100.00

<u>ITEM</u>	<u>CONTRACT TYPE</u>	<u>DESCRIPTION/ LABOR CATEGORIES</u>	<u>RATE PER HOUR</u>
2	**TIME & MATERIALS**	<u>NON-EMERGENCY SERVICES FOR 2008:</u>	

ITEM	CONTRACT TYPE	DESCRIPTION/ LABOR CATEGORIES	RATE PER HOUR
		PROGRAM DIRECTOR/FUNCTIONAL AREA SPECIALIST	$206.32
		SENIOR MANAGER/SR. PM/QA/CHIEF ENGINEER	$190.91
		LEAD COMMS ENGINEER/LEAD SW/HW ENGINEER/PM/SR. TRANSPORT. SPECIALIST	$174.40
		SR. COMMS ENGNR/TRANSPORT. SPECIALIST/SR. HW/SW	$164.94
		COMMS ENGNR/SW/HW ENGINEER/SR. SYSTEMS INTEGRATOR/SR. ANALYST	$104.30

Section C)   <u>**CONTRACTOR RATES (IF APPLICABLE)**</u>

<u>**NOT APPLICABLE**</u>

EXHIBIT E
List of Hardware, Software and Spares
Long Beach Airport

Item	Part Number	OEM / Vendor	Qty	Spare
ACCESS CONTROL SYSTEM				
SW Licenses (AIM® Only)				
ILOG Client		Thales	7	
Animator Client		Thales	7	
Oracle (30 User)		Oracle	1	
Crystal Reports Pro 8.5		MoreDirect	1	
MS Visual Studio 6.0		MoreDirect	1	
AIM® Servers				
Servers (2 servers)				
- Dell 2850 Intel Xeon 3.2GHz/1MB Cache (221-5964)				
- 1GB DDR2 400mhz (2x 512MB) Memory (311-3586)				
- Server 2003 Standard Edition (420-4042)				
- Hard Drive Configuration Raid 5 Configuration with 3 x 36GB Hard Drives				
- PERC4/DC Controller Card (341-1284)				
- Dual on Board NIC's, 1 Fiber NIC (All Gigi Compatible)				
- 24X IDE CD-RW/DVD Rom Drive				
-1 .44MB Floppy Drive				
- PV100T DAT72 w/On-Board SCSI for PE2850 DAT Tape Drive (341-1371)				
- Redundant Power Supply				
- 3Yr Dell Gold Support (24X7X4Hr Onsite)	PowerEdge 2850	Dell	2	
1RU Rackmount 15" Monitor/KYBD/Mouse	310-4227	Dell	2	
8 Port KVM, OmniView PRO 2	F1DA108T	Belkin	2	
UPS Units for Equipment Racks Enclosures, APC, Rackmount w/ Batteries for 6 Hour Back-Up	Smart UPS XL 3000va	APC	3	
AIM® Workstations				
Workstations				
- Dell Optiplex GX 280 Intel P4 540, 3.2GHz Processor, 1M Int Boradcom Gigabit NIC, 800FSB (221-5288)				
- 512MB, Non-ECC, 400MHz DDR2 (1X512MB) (311-3678)				
- Windows XP Professional (420-4850)				
- 40GB SATA 7200RPM Hard Drive (341-0904)				
- 128MB ATI Radeon X300 Graphics Card w/Cables (320-4040)				
- 1 Intel Por 1000 Gigabit NIC (Additional NIC for Second Rail)				
- 48X/32X/48X CD-RW Rom Drive				
-1 .44MB Floppy Drive				
- Performance USB Keyboard w/8 Hot Keys (310-2585)				
- Dell USB 2-Button Entry Mouse w/Scroll (310-5202)				
- 3Yr Dell Support (24X7X4Hr Onsite)	Optiplex GX280	Dell	7	
19" LCD Flat Panel Displays (Changed per Addendum 3) (Monitor Pricing Included in Workstation Pricing, 2/WS)	1905FP	Dell	13	

Item	Part Number	OEM / Vendor	Qty	Spare
AIM® Printers				
Report Printer, Network	HP 2300DTN		5	
Log Printer, Network	LQ2180		1	
Velocity Servers and SANS				
Servers (2 servers)				
- Dell 2850 Intel Xeon 3.6GHz/1MB Cache Dual Processors (221-5966, 311-3945)				
- 6GB (6X1GB) DDR2 Memory (311-3604)				
- Server 2003 Enterprise Edition				
- Hard Drive Configuration Raid 1 Configuration with 2 x 146GB Hard Drives				
- PERC4/DC Controller Card (341-1310)				
- Dual on Board NIC's				
- 2 Intel Por 1000 MF Fiber Gigabit NIC (430-1043), Dual On-Board NICs (430-8991)				
- 24X IDE CD-RW/DVD Rom Drive				
-1 .44MB Floppy Drive				
- Redundant Power Supply				
- 3Yr Dell Gold Support (24X7X4Hr Onsite)		Dell/ARINC	2	
Velocity Software and Services				
Miscellaneous Software				
- GeoCluster from NSI Software		ARINC	2	
Miscellaneous Software				
- MS SQL Server 2000 Enterprise (1 copy)		ARINC	1	
Miscellaneous Software				
- MS SQL Server 2000 Enterprise Cal		ARINC	15	
Miscellaneous Software				
- Norton Aniti Virus CD w/5 User License		ARINC	2	
Velocity Hot Redundant Edition Software				
- Includes installation on 2 servers and special configuration		Hirsch/HP	1	
Host Cabinets				
Gangable Racks, Middle Atlantic WRK-44-32, SPN-44-312, PFD-44, MW-10FT, FAN10, PD2415SC-NS, CC-44-312 (4" Cable Chase)	WRK-44-32	AES	3	
SOC Racks	WRK-24MDK	AES	2	
Console				
Synergy Full Lift Position w/Wrap Keyboard (3648)	3648 Full Lift	Watson	1	
SCP Components				
Digi*Trac Model 2N- 2Door-115VAC	M2N	Hirsch	8	1
Digi*Trac Model 8N- 8Door-115VAC	M8N	Hirsch	9	1
Digi*Trac Model 16N-16input-115VAC	M16N	Hirsch	0	
Digi*Trac Model SPN-8 Relay-115VAC	MSPN-8R	Hirsch	0	
Code Expansion Board	MEB/CE32	Hirsch	1	

Item	Part Number	OEM / Vendor	Qty	Spare
8 Relay Expansion Board	REB8	Hirsch	5	1
8 Alarm input Expansion Board	AEB8	Hirsch	17	1
LAN Interface - TCP/IP To RS-232/RS-485	UDS-100	Hirsch	12	1
Scramble Net Interface Board	SNIB	Hirsch	0	
Miniature Embedded Line Module 1	DTLM1	Hirsch	0	5
Miniature Embedded Line Module 3	DTLM3	Hirsch	136	13
MATCH- Reader Interface Board	MRIB	Hirsch	69	5
24 Volt 10 Amp Power Supply	AL1024ULX	Altronix/ HP	0	
12/24 Volt 10 Amp Power Supply	AL600ULX	Altronix/ HP	15	1
8-Individually Fused Output Board	PD8	Altronix/ HP	15	3
12 Volt Battery, 7 Amp	NP712	Yuasa/HP	32	5
48x36x8 Enclosure, Nema 12,13 (Interior)	48368-12	B-Line/HP	7	
Back Panel for 48x36x8 Enclosure	Aw4836P	B-Line/HP	7	
48x36x8 Enclosure, Nema 4 (Exterior)	48368-4	B-Line/HP	10	
Back Panel for 48x36x8 Enclosure	Aw4836P	B-Line/HP	10	

Card Readers and Cards

Item	Part Number	OEM / Vendor	Qty	Spare
HID Contactless Smart Card Reader-ICLASS Box Size	CR-ICR30	Hirsch	0	
HID Contactless Smart Card Reader-ICLASS W/Keypad	6130AKN000000	Hirsch/HID	136	6
Scramble*Net Match Enrollment Station	SMES-U	Hirsch	1	
HID Iclass Contactless Smart Card 13.56MHz-2K Bits	2000PG1MN	Hirsch/HID	2500	

Door Hardware Components

Item	Part Number	OEM / Vendor	Qty	Spare
Duress Button	3040	Sentrol	22	2
Recessed Switch, Door Switch	1078	Sentrol	84	8
Commercial Switch, Armored Cable, Door Switch	2202A	Sentrol	17	2
Cabinet Tamper Switch and Bracket	3015	GE Interlogics	85	8
Maglock, 1200lb Holding Force	M62SC-24	Securitron	60	2
Touchsense Bar, Exit Bar (Elictrified)	TSB3CL	Securitron	6	1
Touchsense Bar, Exit Bar (Manual)		Securitron	10	
Push to Exit Button, RQE	PB2	Securitron	10	2
Delayed Egress Module, Delayed Egress	XDT-24	Securitron	24	2
Alarm Sounder, White in Color	AMT-24W	Wheelock	6	1
Transfer Hinge, Electric Hinge	EH	Securitron	30	1
Keyed Bypass Switch, Keyed Switch	MK	Securitron	24	1
Field Mounted Enclosure for TDR Doors	A16N16ALP	Hoffman	20	
Enclosure Insert Panel for TDR Doors	A_16N16MP	Hoffman	20	

Other Equipment

Item	Part Number	OEM / Vendor	Qty	Spare
Outdoor Photo electric Beam	PB-100ST	Takex	4	1
Outdoor Microwave Motion Transceiver, w/MB62 Mount	Model 380	SW Microwave	2	
Power Supply, PS40 for SW Microwave Transceiver	PS40	SW Microwave	2	1
Motorized Gate Operators,	SL-3000-UL Mega Slide-UL/	Elite Elite/ DC	3	
Loop Detectors for Gates (4 Loops per Gate)	Loop	Solutions	0	

Badging Station

Item	Part Number	OEM / Vendor	Qty	Spare
Eltron P520i 2-Side Printer W/Laminator&Mag Encoding	P520iEM	Identatronics	1	
4-Panel i Series Color Ribbon 250 Images (YMCK)	800015-445	Identatronics	10	
ID Print- Eltron Cleaning Kit	105912-003	Identatronics	3	
PTZ Camera W/Remote Video Capture SYNC Flash	IDCAMKIT	Hirsch	1	
1 mil overlaminate chip fpr contactless HID 2001PG3MN I class card w/ pre-printed back	800015-014	Identatronics	25	
Printer Maint Kit	800015-169	Identatronics	1	
Network Components				
Network Switch 48 Port, w/4 GBIC Slots	GS748T	Netgear	3	1
Network Switch 16 Port, w/2 GBIC Slots	GS716T	Netgear	2	
Network Switch 8 Port	GS108	Netgear	5	1
GBIC Modules, 1000Base-SX	AGM731F	Netgear	16	1
UTP To Fiber Converters (Standalone)	MIL-S3112US	Milan	5	1
UTP To Fiber Converters (Rackmount)	MIL-S3412US	Milan	5	1
Rack and Power Supply for Rackmount Milans (8 Slots)	MIL-9100X	Milan	1	
Miscellaneous Hardware - Ethernet cables, power strips, cable management supplies		ARINC	1	
Fiber Optic Patch Panels, 12-F WallMt Enc, loaded w/ST MM Adapters	106772668 (156839)	Anixter	13	
Access Control Misc Items (Brks, Terminal Blocks, Disconnects, Panduit)	Various	Neddco	1	
Misc hardware Project Consumables	NA	ARINC	1	
Fiber Optic Patch Panels, 72-F Rack Mount Enc, 19" x 4U, Loaded w/ ST MM Adapters	108565656 (213621)	Anixter	4	
Misc Components				
Fiber Patch Cables		Anixter	1	
Fiber Patch Cables and CAT 6 Cables		Anixter	1	
CAT 6 Cables		Anixter	1	

CCTV (INCLUDES BROADWARE AND ANALYTICAL VIDEO SOLUTIONS)

CCTV System Digital Video Server

Item	Part Number	OEM / Vendor	Qty	Spare
Broadware Interactive Media Server for 50 Video Channels	Broadware IMS-50A+		2	
MPEG-4 Option	MPEG-4		2	
Fibre Channel Interface Kit	ADD-FC		2	
11.2TB Fibre Channel Storage Array	SC-400-28-28		2	
Broadware Command Server	BCS-Server		1	
Five Additional Broadware Command Server Client Lics	BCS-Client Lic		5	

Video Analytical Solution

Item	Part Number	OEM / Vendor	Qty	Spare
Server, Video Processing Unit	PRI004-01	Object Video	1	

CCTV Components

Item	Part Number	OEM / Vendor	Qty	Spare
Surface mount Clear Dome HiRes 3-6mm	ICS101-CRV3A	Pelco	11	2

Item	Part Number	OEM / Vendor	Qty	Spare
Spectra III In-Ceiling Tinted Dome 16x Color	SD53TC-F0	Pelco	7	1
Spectra III Indoor Pendant Tinted- 16x Color	SD53TC-PB-0	Pelco	1	1
Black Wall Mount For Spectra/DF5 Pendant Dome	SWM-BK	Pelco	1	
Environmental, HiRes Color/BW W/5-50mm AI Lens	G3512-2KAV50AK	Pelco	9	
Spectra III Environmental Pend Clr/BW 23x Clr dome	SD53CBW-PG-E1	Pelco	3	1
Wall Mount	IWM-GY	Pelco	3	
Pole Mount Adaptor	PA402	Pelco	3	
Camera Power Supply 1 output 4 Amps	WCS1-4	Pelco	3	1
Spectra III Indoor Pendant Tinted- 16x Color	SD53TC-PB-0	Pelco	13	2
Black Wall Mount For Spectra/DF5 Pendant Dome	SWM-BK	Pelco	13	
Black Pole Mount Adaptor For SWM-BK	SWM-PA-BK	Pelco	13	
Spectra III Indoor Pendant Tinted- 16x Color	SD53TC-PB-0	Pelco	2	2
Spectra III Indoor Pendant Tinted- 16x Color	SD53TC-PB-0	Pelco	3	
Black Wall Mount For Spectra/DF5 Pendant Dome	SWM-BK	Pelco	3	
Black Pole Mount Adaptor For SWM-BK	SWM-PA-BK	Pelco	3	
Spectra III Black Surface Mount Tinted 16x Color	SD53TC-SMB-0	Pelco	1	
Spectra III Environmental Pend Clr/BW 23x Clr dome	SD53CBW-PG-E1	Pelco	5	
Wall Mount	IWM-GY	Pelco	5	
Pole Mount Adaptor	PA402	Pelco	5	
Camera Power Supply 1 output 4 Amps	WCS1-4	Pelco	5	
Dome Pack, Pendant mount HiRes Color/BW W/5-50AI	SD53CBW-PG-E1	Pelco	3	1
Roof Mount For Spectra III	PP351	Pelco	3	
Dome Pack, Pendant mount HiRes Color/BW W/5-50AI	SD53CBW-PG-E1	Pelco	1	
Parapet Mount 20" from inside of Parapet	PP350	Pelco	1	
Dome Pack, Pendant mount HiRes Color/BW W/5-50AI	SD53CBW-PG-E1	Pelco	1	
Parapet Mount 20" from inside of Parapet	PP350	Pelco	1	
Environmental HiRes Color/BW 5-50MM Auto Iris	G3512-2KAV50A	Pelco	8	1
Light Duty Ceiling J-Mount	EM3000	Pelco	8	
Environmental HiRes Color/BW 5-50mm AI W/Mount	G3512-2KAV50AK	Pelco	9	
Pole Mount Adaptor	PA101	Pelco	10	
Environmental HiRes Color/BW 5-50mm AI W/Mount	G3512-2KAV50AK	Pelco	1	
Digital Video Encoder, MPEG 4 Blade Style	241S Blade	AXIS	56	5
Rack Kit For 241 Series Blades 3U 12 Blade	0192-004	AXIS	5	
1 channel Video Encoder	241S	AXIS	20	2
Digital Fiber Video Transmitter Duplex Data, Multimode	VT1500WMD-Pelco	IFS	34	2
Digital Fiber Video Receiver, Duplex Data, Multimode	VR1500WMD-R3	IFS	31	2
Digital Fiber Video Receiver, Duplex Data, Multimode	VR1500WMD	IFS	3	1
Digital Direct Mount Fiber Transmitter Multimode	VT1101M	IFS	35	2
Digital Fiber Video Receiver Multimode, Rack Mount	VR1100	IFS	9	1
Digital Fiber Video Receiver Multimode, Rack Mount	VR1100-R3	IFS	26	
Rack Kit For 241 Series Blades 3U 12 Blade	R-3	IFS	5	1
Wireless Ethernet link 10Mbps	LINK-10	Trango	7	
Infrared Illuminator Medium Flood	LL27MF	Pelco	8	1
Camera Power Supply	ALTV224UL	Altronix	15	1
Camera Power Supply	ALTV248UL	Altronix	13	1

Item	Part Number	OEM / Vendor	Qty	Spare
EMERGENCY NOTIFICATION SYSTEM				
Base, Communicator 24 Port Digital or Analogue System	SW56024	DCC	1	
DCC System Server	HW40092	DCC	1	
Windows 2000 Server	HW40380	DCC	1	
SQL Server	HW40389	DCC	0	
XML API	DCCDev	DCC	1	
FINGER PRINT SYSTEM				
Live Scan FingerPrint System, Identix TouchPrint TM3100 Desktop LineScan System, Complete System including PC	TP-3100XD-ED	Identix	1	
Electronic Fingerprint Records Transmission via SMTP over TCP/I	TP-COMX-SMTPE	Identix	1	
AAAE Live Scan Customization TOT's:NFUF,FAUF,FANC Cards:FD258, SF87 Transmits Dial up to AAAE Returm Msg: No	TP-CSTX-FA201	Identix	1	
VOICE RECORDING SYSTEM				
Communications Recording System				
Freedom Combo Recorder, Raid Option	5FA000	Dictaphone	1	
Freedom Compression Card -16Port	428581	Dictaphone	2	1
1 Meter Cable	428328	Dictaphone	1	
Analog Coupler Board	428357	Dictaphone	6	1
Freedom System Software	FREPAK	Dictaphone	1	
3Com 5 Port Hub	428742	Dictaphone	1	1
Compaq/HP 15'TFT Active Matrix	M15LCD-D03	Dictaphone	1	
Freedom Workstation Plus, XP, 1DVD	FWSXPP-01D	Dictaphone	1	
Freedom E-Server Iomega A305; 240g (160g useable)	0FE8240	Dictaphone	1	
EMERGENCY TELEPHONE SYSTEM				
Compact Central Digital for 4-16 Subscribers	GE200U.C	Commend	1	
Interfacing Housing for GEI200	GEI200	Commend	1	
Subscriber Card Digital GE200, 4 Subscribers	G2GED-4B	Commend	2	
Digital Tamper Proof Sub Sta W/Relays & Red Mush	ES833	Commend	11	1
Subscriber Card Digital GE200, 4 Subscribers	G2-GED-4D	Commend	1	
master Station, DSP, Graph Display, Gooseneck mic	EE872	Commend	1	
GE200 IP Subscriber Card Feature Level "B"	G2-DSP-IP-8B	Commend	1	
Network Switch For 2-Wire Stations	ET901-D	Commend	3	
Wallmount Enclosure with Hinged Door	A24R248HCR	Hoffman	8	
Pedestal Mount Enclosure Type 3R	A24R248NK	Hoffman	3	
Blue Strobe	57545T38-Blue	McMaster Carr	11	1
VEHICLE GATE INTERCOM SYSTEM				
Single Master Intercom	LEF-1	Aiphone	2	

EXHIBIT F
Statement of Work

1.0 Training

1.1 Pre-TS&EM Training

Prior to commencement of TS&EM, the Customer agrees to have their Security System Administrators participate in a two (2) day systems training course to be given on site at the LGB Facility. Upon completion of this training, the LGB will be required to have one (1) ARINC-certified Security System Administrator on-call 24 hours per day, 7 days per week, and 365 days per week.

Also, after the commencement of TS&EM, ARINC will conduct a two (2) day TS&EM Procedures and Requirements training on site that will include systems backup procedures. ARINC will perform backups of the critical operating systems during each of the scheduled yearly Preventive Maintenance dates. Otherwise, it will be the responsibility of the LGB to follow and maintain any backup processes unless otherwise agreed to by the LGB administrators and ARINC.

ARINC will provide the LGB with two sets of training binders for future reference on the training provided during the two days. Additional binders can be requested add an additional cost per binder.

1.2 On-Going TS&EM Training

ARINC will conduct an annual training for new personnel or as a refresher for other personnel as part of this agreement.

In an effort to ensure that personnel training is available during the TS&EM agreement and to accommodate personnel changeover, additional onsite training can be made available to the LGB beyond the requirements set forth above. An onsite training request would need to be submitted to ARINC if additional training is required by the LGB. This request may be submitted to ARINC via email or phone call. The list of topics and number of personnel for training will need to be provided so ARINC can work with its training department to develop a training proposal with the appropriate pricing. It is expected that during the normal course of TS&EM for the System, on-the-job knowledge sharing will occur between ARINC and the LGB Security System Operators and Administrators.

2.0 Service Support Program

2.1 Tiered Support Structure

The following describes the TS&EM Tiered Support Structure for ARINC's Service Support Program, the providing organizations, and the associated responsibilities for problem resolution and maintenance:

1. Tier 1

    1.1. Provided by

        1.1.1. LGB Security System Administrators

    1.2. Responsible for

        1.2.1. Maintenance coordination with ARINC

    1.2.2. Trouble identification

    1.2.3. Trouble call reporting to Tier 2

        1.2.3.1.   Call ARINC at 1-800-797-3229 (24 hours per day)

2. Tier 2

  2.1. Provided by

    2.1.1. ARINC

  2.2. Responsible for

    2.2.1. Trouble call receipt, ticketing, and management

    2.2.2. Trouble call troubleshooting

    2.2.3. Dispatch of appropriate personnel in accordance with diagnosed severity levels (described below)

    2.2.4. Escalation of trouble ticket to Tier 3 if not resolved by Tier 2

    2.2.5. Preventive maintenance

    2.2.6. Repairs

3. Tier 3

  3.1. Provided by

    3.1.1. ARINC

    3.1.2. ARINC contracted Original Equipment Manufacturer (OEM) Vendors

        3.1.2.1.   NICE

        3.1.2.2.   Broadware

        3.1.2.3.   Hirsch

        3.1.2.4.   Hamilton Pacific

        3.1.2.5.   Cernium

  3.2. Responsible for

    3.2.1. Trouble shooting in accordance with ARINC direction

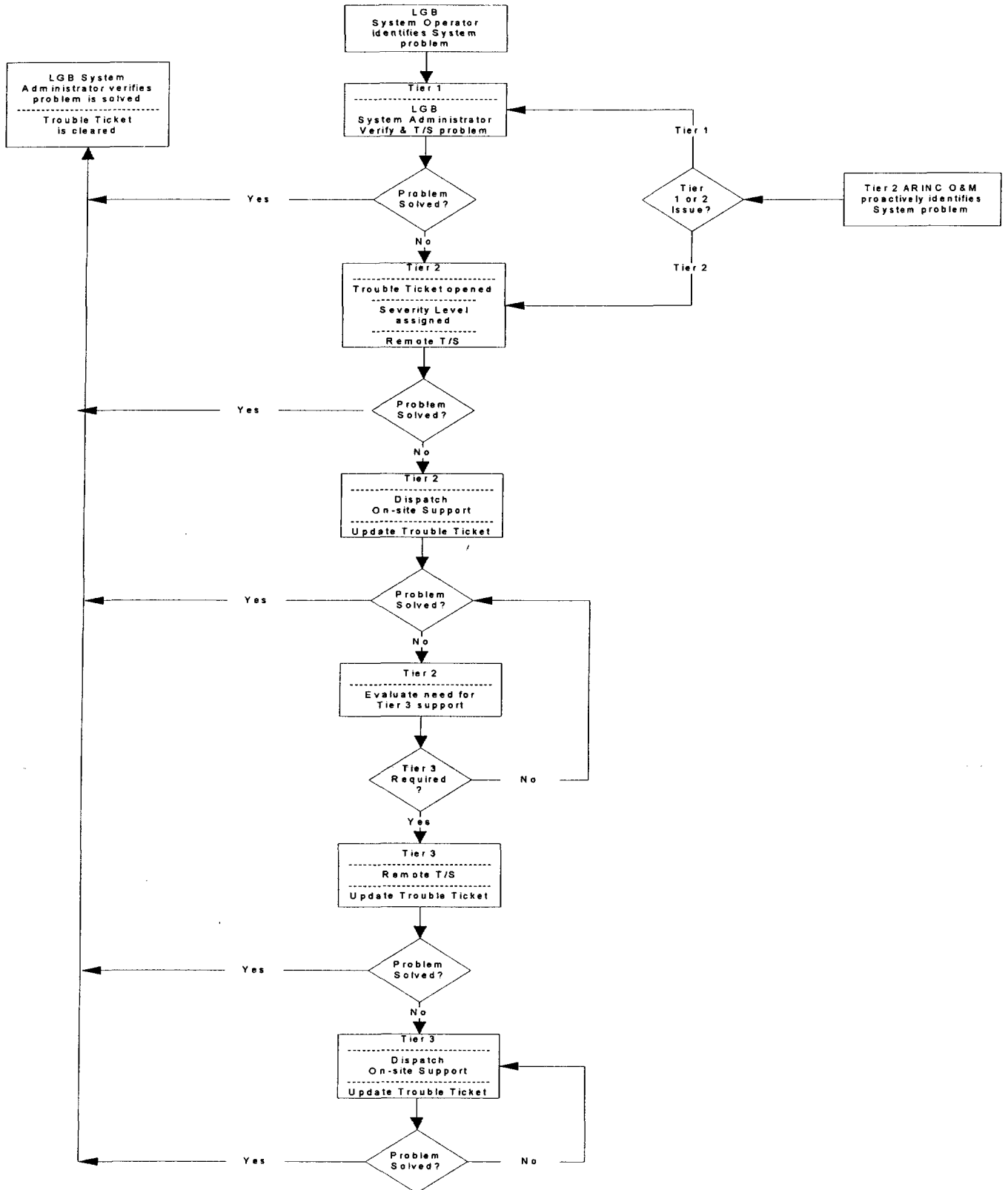Figure 1 below depicts the flow process for the delivered TS&EM agreement.

```
                              ┌─────────────────────┐
                              │        L G B        │
                              │  System Operator    │
                              │ identifies System   │
                              │      problem        │
                              └──────────┬──────────┘
                                         │
┌──────────────────────┐     ┌──────────▼──────────┐
│    LGB System        │     │       Tier 1        │
│ Administrator verifies│     │ ─────────────────── │
│  problem is solved   │     │        L G B        │◄─────────────────┐
│ ──────────────────── │     │ System Administrator│          Tier 1  │
│   Trouble Ticket     │     │  Verify & T/S problem│                  │
│    is cleared        │     └──────────┬──────────┘                  │
└──────────────────────┘                │                             │
           ▲                             ▼                             │
           │              ┌──────────────────────┐                    │
           │      Yes     │      Problem         │          ┌─────────────┐     ┌────────────────────┐
           │◄─────────────│      Solved?         │          │    Tier     │     │  Tier 2 ARINC O&M  │
           │              └──────────┬───────────┘          │   1 or 2    │◄────│ proactively identifies│
           │                         │ No                   │   Issue?    │     │  System problem    │
           │                         ▼                      └──────┬──────┘     └────────────────────┘
           │              ┌──────────────────────┐         Tier 2 │
           │              │       Tier 2         │                │
           │              │ ──────────────────── │◄───────────────┘
           │              │ Trouble Ticket opened│
           │              │ ──────────────────── │
           │              │   Severity Level     │
           │              │     assigned         │
           │              │ ──────────────────── │
           │              │    Remote T/S        │
           │              └──────────┬───────────┘
           │                         ▼
           │              ┌──────────────────────┐
           │      Yes     │      Problem         │
           │◄─────────────│      Solved?         │
           │              └──────────┬───────────┘
           │                         │ No
           │                         ▼
           │              ┌──────────────────────┐
           │              │       Tier 2         │
           │              │ ──────────────────── │
           │              │     Dispatch         │
           │              │  On-site Support     │
           │              │ ──────────────────── │
           │              │ Update Trouble Ticket│
           │              └──────────┬───────────┘
           │                         ▼
           │              ┌──────────────────────┐
           │      Yes     │      Problem         │
           │◄─────────────│      Solved?         │◄──────────────┐
           │              └──────────┬───────────┘               │
           │                         │ No                        │
           │                         ▼                           │
           │              ┌──────────────────────┐               │
           │              │       Tier 2         │               │
           │              │ ──────────────────── │               │
           │              │  Evaluate need for   │               │
           │              │   Tier 3 support     │               │
           │              └──────────┬───────────┘               │
           │                         ▼                           │
           │              ┌──────────────────────┐               │
           │              │      Tier 3          │               │
           │              │     Required         │──── No ───────┘
           │              │        ?             │
           │              └──────────┬───────────┘
           │                         │ Yes
           │                         ▼
           │              ┌──────────────────────┐
           │              │       Tier 3         │
           │              │ ──────────────────── │
           │              │    Remote T/S        │
           │              │ ──────────────────── │
           │              │ Update Trouble Ticket│
           │              └──────────┬───────────┘
           │                         ▼
           │              ┌──────────────────────┐
           │      Yes     │      Problem         │
           │◄─────────────│      Solved?         │
           │              └──────────┬───────────┘
           │                         │ No
           │                         ▼
           │              ┌──────────────────────┐
           │              │       Tier 3         │
           │              │ ──────────────────── │
           │              │     Dispatch         │
           │              │  On-site Support     │◄──────────────┐
           │              │ ──────────────────── │               │
           │              │ Update Trouble Ticket│               │
           │              └──────────┬───────────┘               │
           │                         ▼                           │
           │              ┌──────────────────────┐               │
           │      Yes     │      Problem         │               │
           └◄─────────────│      Solved?         │──── No ───────┘
                          └──────────────────────┘
```

Figure 1 Flow Process for the Delivered TS&EM Agreement

2.2   *Support Severity Levels*

The following descriptions will serve as the severity levels to be associated with trouble tickets for ARINC's Service Support Program. ARINC will assign the severity level following initial diagnosis during the Tier 2 trouble. The times associated with the different levels commence when the Trouble Ticket is logged and the Severity Level is assigned (Table 1).

1. Severity Level One

    1.1. Impact – Low

    1.2. Examples

        1.2.1. System components failure

        1.2.2. Based upon location

            1.2.2.1. Fingerprint / Badging Equipment

            1.2.2.2. Emergency Phones / Dictaphones

    1.3. Response time

        1.3.1. Phone troubleshooting* – within eight (8) hours during normal working hours

        1.3.2. On-site support – within one (1) working day, if necessary

    1.4. Escalate to Level 2

        1.4.1. By LGB Security System Administrator and ARINC

        1.4.2. If trouble meets Level 3 criteria

        1.4.3. If corrective action is not satisfactorily in-progress within two (2) working days of diagnosis and logging

2. Severity Level Two

    2.1. Impact – Medium

    2.2. Examples

        2.2.1. Individual Camera Failure

        2.2.2. Site subsystem outage

    2.3. Response time

        2.3.1. Remote trouble shooting* – within four (4) hours

        2.3.2. On-site support – within eight (8) hours, if necessary

2.4. Escalate to Level 3

2.4.1. By LGB Security System Administrator and ARINC

2.4.2. If trouble meets Level 3 criteria

2.4.3. If corrective action is not satisfactorily in-progress within one (1) working days of diagnosis and logging

3. Severity Level Three

3.1. Impact – High

3.2. Examples

3.2.1. Individual Access Control Failures, Readers, Sensors, Doors

3.2.2. Gate Systems and other critical access points

3.2.3. Critical camera failures

3.2.4. Entire subsystem outage

3.2.5. Entire system outage

3.3. Response time

3.3.1. Remote trouble shooting* – within two (2) hours

3.3.2. On-site support – within four (4) hours, if necessary

Table 1 Severity Levels to be Associated with Trouble Tickets

Severity Level	Remote T/S Commence	On-Site T/S Commence	Escalate to Next Highest Severity Level
1	Within 8 Hours	Within 1 Working Day	After 2 Working Days
2	Within 4 Hours	Within 8 Hours	After 1 Working Days
3	Within 2 Hours	Within 4 Hours	

Once the Trouble Ticket is resolved, the ARINC technician will notify ARINC, provide resolution and related ticket information, and the Trouble Ticket will be closed.

In cases of failures where LGB is forced to incur costs to repair the system due to ARINC lack of timely response, ARINC will reimburse LGB for the costs incurred for that repair.

* Remote troubleshooting is limited to phone support, as a Virtual Private Network (VPN) Access to the LGB system is not permitted.

2.3   Support Spares

Spare parts will be accepted and owned by the LGB. The spares parts will be maintained at the Airport in the equipment room. The LGB will receive quarterly inventory reports from ARINC listing the spare parts by part description, part number, and quantity. The LGB will have the right to inspect these spare parts within two (2) working days of delivering a written inspection request to ARINC.

The initial spare parts load-out is included in the BOM in Exhibit E. ARINC will provide spare parts description, part numbers, and pricing information to the LGB to replenish the spares, as utilized in support of the System. ARINC will inform the LGB of spare quantities that are low or are out of scope of the required supply. LGB may choose to purchase replenishment spares via ARINC or direct from suppliers, if available. LGB shall be responsible for maintaining the spares load-out as detailed in Exhibit E to ensure support levels will be maintained. Upon completion of the TS&EM agreement, ARINC will deliver the spares inventory to LGB.

All hardware repairs for equipment that are identified as failed within the system shall be replaced with an exact or equivalent part. Replacement parts may be factory repaired and tested or newly manufactured parts. In the case that a part has been replaced by a later series or revision, that part will be an acceptable replacement for the failed part. Any PC/server parts and/or components may be replaced with as good or better parts and/or components. Additional features and functionality for hardware may be requested and, if available to fit the System as determined by ARINC, may be purchased by the LGB from ARINC.

2.4   Support Software Upgrades

The System software will be maintained at the level and feature set as delivered and accepted by the LGB. ARINC will provide, under this TS&EM agreement, software corrections provided by OEMs necessary to maintain the System.

For the purposes of this TS&EM document, the term "software" will be understood to mean both software and firmware for all System components.

For the purposes of this document "software upgrades" are those updates that are released free of charge for all the COTS applications. Any cost associated with testing, integration, development or procurement of software that is not free of charge, but that the LGB wishes to install shall be borne by the LGB. Furthermore, if after initial testing, free upgrade software is determined not to integrate or cause system failure all subsequent testing, integration, development or procurement costs will be borne by the LGB.

During TS&EM, a Software Revision Control Board (SRCB) will meet annually to discuss new software releases from all OEMs in order to determine the potential benefits and drawbacks to introducing the new software patches or releases. The SRCB will analyze both technical and operational impacts of upgrading to a newer version of code within the System. The analysis will lead to a recommendation to the LGB on potential courses of action for software upgrades.

2.5   Support Relationships with Original Equipment Manufacturer Vendors

ARINC will be responsible for the administration of the maintenance and relationships of the Original Equipment Vendors (OEMs) used within the System. The interface for LGB with all System OEMs will be through ARINC to ensure compliance with System delivery and consistent TS&EM performance. Additionally, all OEMs are to communicate through ARINC to the LGB

for all issues that relate to the System to ensure consistent TS&EM performance. ARINC will provide LGB agreement details for all support contracts with OEM's.

3.0 Maintenance

3.1 Scheduled Maintenance

ARINC will schedule the following system maintenance to ensure the proper operations of the LGB System. Upon completion of the testing, a full report explaining findings will be issued to the LGB for review and acceptance. Evaluation and test results will be provided. If any components are found to be faulty, a work order will be issued for immediate repair.

3.2 Annual Maintenance Items

1. AIM® Servers

    1.1. Inspect once a year to empty Oracle and AIM® log files, review disk space usage and clean out old historical records if necessary. Review System Event logs quarterly, to check for trouble spots.

2. Security Officer Workstation Servers

    2.1. Review disk space usage once a year

3.3 Semi-Annual Maintenance Items

1. Video Surveillance

    1.1. Cleaning all camera enclosures and domes

    1.2. Check camera focus and adjust where needed

    1.3. Inspect PTZ controls

    1.4. Inspect client stations for proper views and operation

2. Access Control

    2.1. Examine and torque magnetic locks and door hardware

    2.2. Test alarm and supervisory signals for all doors, motion detectors and delayed egress

    2.3. Ensure all hardware is properly mounted

    2.4. Inspect each client station, enrollment station, and badging station

3. Emergency Telephones/Dictaphones

    3.1. Test, adjust, and correct, as necessary, emergency phones

    3.2. Test, adjust, and correct, as necessary, Intercom system

3.4 Quarterly Maintenance Items

1. Velocity Servers

   1.1. Review System Event logs quarterly to check for trouble spots. Review disk space usage once a year.

2. Broadware and NICE Systems

   2.1. Review troubleshooting web pages quarterly for problems with servers or disk spaces.

3.5 Maintenance Coordination

ARINC agrees to inform the LGB at least one week before any scheduled service outage that is required for routine maintenance. ARINC will coordinate with the LGB the reason for the scheduled service and optimal time for outage to minimize operational impacts and will endeavor to keep such maintenance and service disruptions to a minimum.

3.6 LGB Maintenance

Maintenance and warranty for routers, relays, and switches not provided by ARINC to support the LGB System are the responsibility of the LGB or other service providers or vendors. Should this network become inoperable, require maintenance, or be degraded, LGB personnel are fully responsible to directly resolve the problem.

The LGB shall be responsible for maintenance and support of all hardware hosting licenses provided through ARINC, including servers, workstations, printers, etc except as provided in equipment warranties received directly or passed through by ARINC from the equipment suppliers, which shall prevail.

3.7 Back-Ups and Databases

ARINC will provide the LGB system administrators with necessary training on the processes and procedures required to maintain adequate backups of critical system. Upon completion of the required two-day training, additional training can be requested and additional staffing may participate as delegated by the LGB administrators and ARINC.

ARINC will perform the necessary backups during each scheduled preventive maintenance to occur two times per year. The LGB has the option to take responsibility for backup and restoration of servers and databases upon which the System resides and operates during non-scheduled times. This shall include, without limitation to, application data, application software, and operating systems, database software and utility software. Any changes in the backup schedule shall be determined by the LGB's backup policies and ARINC, taking into account the needs of the LGB. ARINC agrees to provide assistance to the LGB regarding needs specific to the System or issues arising from Third-Party Software, such as appropriate backup software settings regarding databases.

3.8 Application Software

The software system is defined as ARINC's AIM® (command and control), and Hirsch's Velocity (access control), Broadware (video management and DVR system), NICE (audio recording system) and Cernium (object detection software). ARINC shall be responsible for maintenance of the software system subject to the terms of the respective software license agreements provided separately to the LGB. The LGB is not responsible for maintenance of these specified software systems. However, the LGB agrees to work with ARINC, on an as

needed basis, to determine if the problem resides with the software system, the hardware system, or Third-Party software or systems that the LGB is responsible for maintaining and supporting.

4.0   Out-of-Scope Conditions

Out-of-scope conditions include, but are not limited to:

1. Hardware abuse, including direct exposure to sun, rain, extreme thermal conditions.

2. Catastrophic failures, e.g., fire and water damage, electrical power damage, acts of war or acts of God.

3. Service calls to remove viruses from workstations, gateways or file servers, or to reformat and reload software to eradicate viruses from the system or LAN. ARINC technician shall provide such service "as is" without warranty of any kind and ARINC accepts no liability for any losses, damages or claims that are the direct or indirect result of the virus or of any anti-virus services performed.

4. Service calls required to restore an item of equipment to operating standards if resulting from persons other than trained personnel repairing, modifying, or performing any maintenance service on any item of covered equipment.

5. Modifications or additions to firewall policies that block required IP ports used by the system.

NOTE: There is no firewall or remote access to the outside world.

EXHIBIT G
List of Abbreviations

AIM®	Advanced Information System
ARINC	ARINC Incorporated
BOM	Bill of Material
COTS	Commercial-Off-The-Shelf
DVR	Digital Video Recorder
FFP	Firm Fixed Price
LAN	Local Area Network
LGB	Long Beach Airport
the System	LGB Security Improvement System
ODC	Other Direct Costs
OEM	Original Equipment Manufacturer
SRCB	Software Revision Control Board
T&M	Time and Material
T/S	Trouble Shooting
TS&EM	Training and Support with Extended Maintenance
Equipment	Security System Software and Hardware
VPN	Virtual Private Network

NONDISCLOSURE AGREEMENT

THIS AGREEMENT is made and entered as of the last date of the signatures below, between ARINC Incorporated, (ARINC) having a place of business at 2551 Riva Road, Annapolis, Maryland, 21401-7465 and City of Long Beach (the "Customer") having a place of business at333 W. Ocean Boulevard, Long Beach, CA 90802.

WHEREAS, the Parties contemplate exchanging information in the following areas: ARINC's Security Systems products and services at Long Beach Airport.

WHEREAS, in the furtherance of this exchange, it may be necessary or desirable for the Parties to disclose to each other certain confidential or proprietary business and technical information, including, without limitation, writings, drawings, computer software, documentation and hardware, and to avoid unauthorized use and disclosure of same by the Receiving Party;

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES HEREIN SET FORTH, THE PARTIES HERETO AGREE AS FOLLOWS:

1.   For the purpose of this Agreement, "Confidential Information" shall mean information received by one Party from the other which is marked as "Confidential," "Customer Confidential," "Customer Private," "Customer Proprietary," and/or "Proprietary." Information initially furnished verbally or visually and identified beforehand as confidential and/or proprietary at the time of disclosure shall be reduced to writing and confirmed as Confidential Information in a written statement that fully identifies the material considered confidential within fifteen (15) business days after its initial disclosure. During that fifteen (15) business day period, the latter information shall be protected, but failure to so identify, reduce to writing, mark and deliver such verbally or visually disclosed information in the manner prescribed herein, shall relieve the Receiving Party of all obligations of protection with respect to said disclosed information thereafter.

2.   For the duration of this Agreement and for a period of three (3) years thereafter, the Receiving Party shall maintain all Confidential Information in confidence and shall not disclose same to any third party. In protecting such information from disclosure, the Receiving Party shall use at least the same degree of care as it normally uses in the protection of its own confidential and proprietary information of like kinds. Such degree of care shall be no less than the prevailing standard of reasonable care in the Receiving Party's industry. Upon discovery of an inadvertent or accidental disclosure, the Receiving Party shall promptly notify the Submitting Party of such disclosure and shall take all reasonable steps to retrieve the disclosure and prevent further such disclosures. If the foregoing requirements are met, a Receiving Party shall not be liable for inadvertent disclosure. Each Receiving Party further agrees that it will not (i) use any Confidential Information received from the other except for the purposes contemplated by this Agreement, (ii) disclose same to persons in its organization without a "need to know", or (iii) make unnecessary copies of same. Each Disclosing Party agrees to use reasonable efforts to examine all material prior to disclosure and to limit any claim for confidential treatment to information that it believes, in good faith, is of a private and proprietary nature.

3.   The restrictions herein shall not apply with respect to Confidential Information which:

    3.1   Is or becomes known to the general public without breach of this Agreement; or

    3.2   Was previously known to the Receiving Party or was possessed by it without restriction prior to any disclosure hereunder; or

    3.3   Is or has been lawfully disclosed to a Receiving Party by a third party without an obligation of confidentiality; or

3.4   Is independently developed by a Party without access to or use of the Confidential Information; or

3.5   Is disclosed pursuant to judicial action or Government regulations, provided the disclosing Party notifies the other prior to such disclosure and cooperates with the other in the event the other elects to legally contest and avoid such disclosure; or

3.6   Is disclosed after the end of the period of confidentiality set forth in Section 2.

4.   Except as expressly herein provided, no rights, licenses or relationships whatsoever are to be inferred or implied by the furnishing of Confidential Information specified above or pursuant to this Agreement.

5.   All tangible information, including drawings, specifications and other information submitted hereunder, by one Party to the other shall remain the property of the Submitting Party. The Receiving Party promptly shall return Confidential Information, including any and all copies thereof, to the Submitting Party, and shall cease any further use thereof, upon the first to occur of the following events: (i) written request of the Submitting Party; (ii) termination of this Agreement; or (iii) completion of the purpose for which the Confidential Information was disclosed. In lieu of the foregoing, the Receiving Party, upon mutual consent, may destroy all copies of the Confidential Information and certify to the Disclosing Party in writing that it has done so.

6.   The Receiving Party shall not export, directly or indirectly, any Confidential Information or any products utilizing such data unless it first complies with any applicable laws and regulations pertaining thereto, including, but not limited to, U.S. export laws or U.S. Traffic In Arms regulations.

7.   This Agreement shall be subject to and construed in accordance with the laws of the State of California without regard to its conflict of laws, rules or procedures.

8.   The term of this Agreement shall commence upon the effective date thereof, as stated hereunder, and shall terminate five (5) years thereafter. Only information communicated between the Parties during said term shall be subject to the protection of this Agreement. Notwithstanding the above term of this Agreement, the Receiving Party shall comply with the terms hereof so long as it shall possess Confidential Information within the time specified in Section 2.

9.   For the purpose of administering the provisions of this Agreement, the primary points of contact are as follows:

City of Long Beach	ARINC Incorporated
Name: Charles Ramey	Brian M. Pickerall
Title: Chief Construction Inspector	Director
333 W. Ocean Boulevard	4553 Glencoe Avenue
Long Beach, CA 90802	Marina Del Rey, CA 90292
Phone: (562) 570-5171	Phone: 310-751-3322
Fax: (562) 570-5176	Fax: 310-751-3203
E-Mail: Charles_Ramey@longbeach.gov	E-Mail: bpickera@arinc.com

10.   Neither Party warrants that the Confidential Information it is disclosing hereunder will meet the requirements of the other Party or that such Confidential Information when combined with other information or when used in a

Comm,REV3/17/00

particular manner by the recipient will be sufficient or suitable for the recipient's purposes. Neither Party assumes any responsibility or liability whatever under this Agreement for the results of use of the Confidential Information by the recipient or its customers or agents.

11.   This Agreement is not intended to constitute, create, give effect to, or otherwise recognize a joint venture, partnership or formal business entity of any kind and the rights and obligations of the Parties shall be limited to those expressly set forth herein. Any exchange of Confidential Information under this Agreement shall not be deemed as constituting any offer, acceptance, or promise of any further contract or amendment to any contract which may exist between the Parties. Nothing herein shall be construed as providing for the sharing of profits or losses arising out of the efforts of either or both Parties. Each Party shall act as an independent contractor and not as an agent of the other for any purpose whatsoever and neither shall have any authority to bind the other.

12.   No license is created under this Agreement, nor shall any be implied therefrom, under any patent, patent application, copyright, trade secret, know-how, or other intellectual property right of either Party. This Agreement shall create no obligation by either Party to disclose any particular kind or quantity of information to the other.

13.   This is the entire Agreement between the Parties concerning the exchange and protection of Confidential Information and it supersedes any prior written or oral agreements relating hereto and may not be amended or modified except by subsequent agreement in writing signed by duly authorized representative of the Parties.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as the day last written below.

ARINC Incorporated
2551 Riva Road
Annapolis, Maryland 21401-7465

By: _____

Name: _____

Title: _V. P., Airport + Surface Sys._

Date: _8·13·2007_

By: _____

Name: **A. JAMES SADLER**

Title: **Treasurer and Assistant Secretary**

Date: _8·13·2007_

City of Long Beach
333 W. Ocean Boulevard
Long Beach, CA 90802

By: _____

Name: _Anthony W. Batts_

Title: _City Manager_

Date: _9·10·07_

APPROVED AS TO FORM

_____ _9/16_, 20_07_

ROBERT E. SHANNON, City Attorney

By _____

        DEPUTY CITY ATTORNEY

SOFTWARE LICENSE

This Software License is made this ___|5ʳday of _Sep-t-Aer___, 2007, ("Effective Date") by and between ARINC Incorporated ("ARINC"), with a principal place of business at 2551 Riva Road, Annapolis, MD 21401, USA, and City of Long Beach, a municipal corporation ("the Customer"), having its principal place of business at 333 W. Ocean Boulevard, Long Beach, CA 90802 (each of ARINC and the Customer is also sometimes hereinafter referred to as "**Party**" and together, collectively, as the "**Parties**").

RECITAL

WHEREAS, the Customer, for the purposes of this Software License, wishes to license ARINC's software identified in Exhibit E to the Service Agreement between the Parties and dated of even date herewith (hereinafter called the "Licensed Software"), for the purpose of providing the Customer with Services at Long Beach Airport (hereinafter referred to as the "Authorized Site"), as detailed in the Statement of Work ("SOW") attached to the Service Agreement between the Parties; and

WHEREAS, ARINC is willing to provide the Licensed Software based on the following terms and conditions set forth below.

NOW THEREFORE, the Parties for good and valuable consideration agree to the following terms and conditions.

1.0   DEFINITIONS

1.1   Words and phrases that are assigned defined meanings in the Service Agreement shall have the same respective meanings where used in this Software License, unless otherwise stipulated.

2.0   LICENSED SOFTWARE

2.1   The Licensed Software is not for sale. During the term of this Software License, ARINC may develop, configure, enhance, upgrade or otherwise modify the Licensed Software to accommodate the Customer's specific needs and it is understood that such change(s) in the Licensed Software is/are for the express purpose of providing a capability. Also, ARINC will a) upgrade the Licensed Software to meet the needs of other customers, b) make Licensed Software system fixes deemed necessary by ARINC and those reported by the Customer, and c) upgrade and enhance the Licensed Software deemed appropriate solely by ARINC, with no additional charges to the Customer. Should upgrade and enhancements of the Licensed Software be requested by the Customer, ARINC shall prepare a written proposal of the additional fees related thereto. Such change(s) shall in no way be considered work for hire and shall in no way confer on the Customer any rights of any nature in the Licensed Software other than as specified herein.

2.2   This Software License shall commence on the date of this Software License. In the event the term of the license granted herein becomes perpetual as described in Paragraph 5.3, this Software License shall also become perpetual. ARINC represents and warrants that it knows of no patent, copyright, trademark, trade secret, or other intellectual property

infringement or misappropriation that has occurred with respect to the Licensed Software and has no reason to believe that the Licensed Software will infringe or misappropriate any patent, copyright, trademark, trade secret or other proprietary right.

2.3   ARINC represents and warrants that it has good title to the Licensed Software, and the right to license the Licensed Software.

2.4   The Customer understands that the Licensed Software is copyrighted material and agrees not to violate the copyright restrictions.

2.5   The Customer agrees not to make any changes or modifications to the Licensed Software, and not to decompile, disassemble, or otherwise reverse engineer the Licensed Software.

3.0   PRICING/PAYMENT

3.1   The License Fees are contained in Exhibit A to this Software License.

4.0   LICENSE

4.1   Upon acceptance of the Licensed Software by the Customer, prompt payment by the Customer of the license fee described herein, and compliance with the terms and conditions of this Software License, ARINC shall grant to the Customer the right to use and operate the Licensed Software pursuant to the terms and conditions of the License set forth herein.

4.2   LICENSE GRANT: ARINC grants to the Customer a nonexclusive, nontransferable license to use the Licensed Software at the Authorized Site. ARINC and the Customer understand that the Customer's use of the Licensed Software shall mean that the Customer is authorized to allow airline customers and authorized personnel to use the Licensed Software within the Authorized Site, only on the same terms and conditions of this Software License.

4.3   LICENSE TERM: This Software License shall commence on the date the Customer accepts the Licensed Software at the Authorized Site and shall be perpetual. The license restrictions in Paragraph 4.4 shall survive any termination of this Software License.

4.4   LICENSE RESTRICTIONS: Under no circumstances shall the Customer:
   a)   Make any copies of the Licensed Software other than one (1) for backup or archival purposes at each Authorized Site;
   b)   Remove or otherwise modify any proprietary markings or notices of ARINC or its software vendor contained within or placed upon the Licensed Software or the Licensed Software media or documentation;
   c)   Except as provided by Paragraph 4.2, license, sublicense, sell, assign, transfer or otherwise convey use or location of the Licensed Software without the prior written consent of ARINC;
   d)   Provide or allow any timesharing arrangements using the Licensed Software outside of the Authorized Site;
   e)   Make any modifications to or derivative works using the Licensed Software;

f)   Disassemble, decompile, reverse engineer or otherwise create or attempt to create or allow others to create or attempt to create source code from the Licensed Software.

g)   Use the Licensed Software on any computer, at any location outside of the Authorized Site.

5.0   MAINTENANCE AND LIMITED WARRANTY

5.1   ARINC represents and warrants that for a period of one (1) year from Licensed Software installation:

a)   The Licensed Software, the media on which the Licensed Software is recorded, and the documentation provided with it are free from defects in materials and workmanship under normal use;

b)   The Licensed Software will conform to the specifications set forth in the Maintenance Agreement between the Parties, dated September, 200 7, and will so conform for the term of this Software License, and

c)   All of the work or services undertaken by ARINC shall be completed in a workmanlike manner and with reasonable care and skill, and shall be in accordance with best computing industry practice.

5.2   ARINC does not warrant that the functions contained in the Licensed Software will meet the Customer's unagreed upon expectations, or that the operation of the Licensed Software will be uninterrupted or error free. ARINC's only warranty is that the Licensed Software will perform in accordance with the specifications set forth in the Maintenance Agreement's Exhibit F - Statement of Work and this Software License. If any copy of the Licensed Software, media or documentation has been altered or changed in any way by the Customer without written authorization from ARINC, the license granted in the Software License shall be VOID and the Customer must destroy all copies in its possession. ARINC is not responsible for problems caused by changes in the operating characteristics of the computer hardware or operating system except changes made with ARINC's consent, which are made after acceptance of the Licensed Software. **THE SOLE AND EXCLUSIVE WARRANTY OFFERED BY ARINC AND ACCEPTED BY THE CUSTOMER IS STATED ABOVE. THE CUSTOMER AGREES AND UNDERSTANDS THAT NO OTHER WARRANTY EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE OFFERED OR CONTEMPLATED IN THE CUSTOMER'S USE OF THE LICENSED SOFTWARE.**

6.0   LIMITATION OF LIABILITY

In no event shall ARINC be liable for loss of profits, revenue, use, data or any other indirect, special, reliance or consequential damages, whether or not ARINC or its agents have been advised of the possibility of such damages. Licensee shall hold harmless ARINC from any third party claims for any such damages.

7.0 TITLE

7.1   Notwithstanding the Customer's payment for the use of the Licensed Software or any customization thereof, the Parties agree that full ownership rights in and to the Licensed Software and any customized Licensed Software shall not pass to the Customer in any fashion whatsoever but shall remain the sole and exclusive property of ARINC.

7.2   The Licensed Software is and shall remain the exclusive property of ARINC. ARINC may conspicuously mark the items identified immediately above to designate ARINC ownership of the same and the Licensee shall place no conflicting mark or permit the ARINC mark to be removed.

7.3   The Parties further agree that nothing contained in this Software License shall preclude ARINC from using all or any portion of the software or any customized software to develop similar software packages for any other licensee.

8.0 CONFIDENTIALITY

The Licensed Software shall be governed by the Nondisclosure Agreement entered into by the Parties concurrently herewith.

9.0 DEFAULT/TERMINATION

This Software License may be terminated by either Party upon the other Party's material breach of the terms and conditions of the Software License, provided that such breach is not cured within thirty (30) days of the breaching Party's receipt of written notice of such breach from the non-breaching Party.

10.0 INDEMNIFICATION

10.1   If an action is threatened or brought against the Customer based on a claim that the Licensed Software infringes or misappropriates any copyright, patent, trademark, trade secret or other proprietary right, ARINC will defend and hold harmless the Customer at ARINC's expense and will pay all related damages and costs (including reasonable attorneys' fees). The Customer shall permit ARINC, at ARINC's option and expense, to a) procure the right to continue using the infringing Licensed Software, or b) replace or modify the infringing Licensed Software to eliminate the infringement while providing a compatible product with functionally equivalent performance. ARINC will consult with the Customer prior to the settlement of any claim if the settlement would adversely affect the Customer's ability to use the Licensed Software as contemplated under this Software License. The Customer may, at its own expense, participate in the defense or settlement of any claim.

11.0 GENERAL

11.1   No assignment of this Software License shall be made by the Customer without the express written consent of ARINC. Any such assignment without the written consent of ARINC shall be considered VOID. ARINC shall have the right to assign this Software License, without consent from the Customer.

11.2   No waiver of any breach of any provision of this Software License shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof. No waiver shall be effective unless made in writing and signed by the waiving Party.

11.3   The Paragraph headings of this Software License are inserted for convenience only and are not intended to affect the meaning or interpretation of this Software License.

11.4   If any of the provisions of this Software License shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of each Party shall be construed and enforced accordingly.

11.5   This Software License may not be modified in any manner, including prior or current course of dealing between the Parties or usage of trade, except by written instrument signed by duly authorized representatives of ARINC and the Customer.

11.6   The English language shall be the governing language in the performance of this Software License. All data, documentation, notices, communications, and all other correspondence furnished in accordance with the terms of this Software License shall be in the English language.

11.7   Notwithstanding anything to the contrary contained in this Software License, the Parties acknowledge and agree that any Customer breach of nonmonetary obligations, including, without limitation, obligations with respect to the confidentiality of ARINC's proprietary information and obligations relating to the Customer's unauthorized use of the Licensed Software, shall be deemed a material breach going to the essence of this Software License which will cause irreparable damage to ARINC, the monetary loss therefor not being readily ascertainable; and ARINC and the Customer hereby acknowledge and agree that ARINC shall be entitled, without the need to show irreparable harm, to obtain injunctive relief against the Customer and the Customer's agents, representatives and employees, in the event of any such breach by the Customer.

11.8   This Software License shall be construed in accordance with the laws of the State of Maryland without regard to its conflict of laws, rule or procedures.

12.0   SOFTWARE MAINTENANCE AND SUPPORT

12.1   For purposes of this Software License , Software Maintenance and Support is defined as the provision of a new release(s), correction(s), patch(es), enhancement(s), upgrade(s), update(s), and/or improvement(s) (hereinafter referred to as "Software Patches") to the Licensed Software and related documentation as long as they are developed by ARINC in its sole and absolute discretion.

12.2   Software Maintenance and Support shall also include reasonable assistance and consultation to help Customer resolve problems associated with the use of the Licensed Software, including verification, diagnosis and correction of errors and defects in the Licensed Software, during the Authorized Site's operational hours.
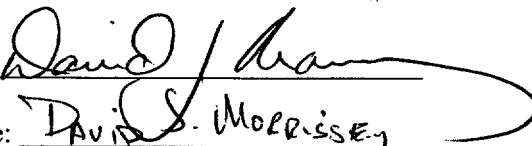
12.3   ARINC shall provide Software Maintenance and Support, in accordance with the provision of the Maintenance Agreement.
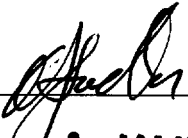
IN WITNESS WHEREOF, the Parties hereto, by and through their authorized representatives, do approve and accept this Software License as of the date first above written.

ARINC Incorporated

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: A. JAMES SADLER

Title: Treasurer and Assistant Secretary

Date: _____

City of Long Beach

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM

_____ 9/4, 20 07

ROBERT E. SHANNON, City Attorney
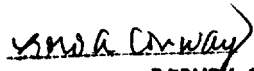
By _____
       DEPUTY C!   RNEY

EXHIBIT A

Item	Fee / yr.
ACCESS CONTROL SYSTEM	
SW Licenses (AIM® Only)	0
ILOG Client	0
Animator Client	0
Oracle (30 User)	0
Crystal Reports Pro 8.5	0
MS Visual Studio 6.0	0