Commissioners: Attached, is the current language in MAC’s licensing agreements related to worker retention, minimum wage and sick leave.
10. **EMPLOYEES**

Licensee will ensure all personnel are properly trained in the technical operations and safety requirements of their specific job duties; i.e. fuel handling and into-plane fueling, ramp safety, use of ground support equipment, aircraft parking and movement, etc.

Licensee shall ensure all personnel are advised of and comply with all Airport Policies and Procedures, rules and safety/security requirements as currently exist or may be amended or added in the future.

Proper company uniforms and employee identification standards shall be implemented and maintained. All employees shall obtain and display proper MAC approved identification at all times. Employees servicing international flights must obtain clearance from all appropriate federal entities when applicable.

Current and accurate personnel training records and roster shall be kept on file in Licensee’s offices and be available for MAC inspection.

Licensee agrees that all employees providing services under this agreement are under the direction and control of Licensee and as such are not considered Common Law Employees of the MAC.

11. **PAID LEAVE, WORKER RETENTION AND MINIMUM WAGE**

A. **Definitions**

The capitalized terms in this section shall have the following meanings:

1. Covered Employee – An employee of a Covered Employer who has, in any month, worked at the Airport for at least half of the total hours he or she worked for the Covered Employer in such month. Managers as well as volunteers, interns, and other temporary workers who work on an occasional or irregular basis or only for the limited time required to complete a specific task or function are not Covered Employees.

2. Covered Employer – Any licensee having 21 or more employees. In no case shall an airline with a valid airline operating agreement with MAC be considered a Covered Employer. A subsidiary or affiliate of an airline may be a Covered Employer.

3. Successor Employer – An entity that performs or will perform a function that was previously performed by a predecessor if the entity will continue the performance of such function in approximately the same manner as the predecessor.

B. **Succession**

A Covered Employer who is or will be replaced by a Successor Employer shall provide to the Successor Employer the following information for each of its employees: (1) name, (2) contact information, (3) date of hire, (4) job classification, and (5) paid leave balance. Such information must be provided at least 60 calendar days prior to the termination of the Covered Employer’s contract. If the Covered Employer receives notice of its termination, or learns the identity of the Successor Employer, with less than 60 days’ notice, the Covered Employer shall use commercially reasonable efforts to provide the Successor Employer with the required information as soon as possible.

C. **No Retaliation**

Licensee may not retaliate in any manner against any employee who avails himself or herself of the rights granted by these provisions. Such prohibited retaliation includes, but is not limited to, termination, demotion, reduction in compensation, reduction in hours, reduction in
seniority, and changes to shift assignments. This section shall not prohibit Licensee from
disciplining an employee by means of, but not limited to, termination, suspension, demotion,
and/or reduction in compensation, according to Licensee’s regular attendance and disciplinary
policies, for taking or attempting to take time off under circumstances other than those
authorized by the paid leave provisions of this Agreement. Absences authorized by these
provisions shall not constitute any part of the basis for disciplinary action under a Covered
Employer’s attendance policy, including a no-fault attendance policy that imposes points for
absences.

D. Enforcement

Licensee’s employees are intended third-party beneficiaries of these provisions, providing such
employees with a direct right of enforcement. This right of enforcement may only be exercised
by submitting disputes to binding arbitration.

The mandatory binding arbitration shall take place in the Minneapolis/St. Paul metropolitan
area in accordance with the American Arbitration Association’s (“AAA”) Employment
Arbitration Rules, except as otherwise provided herein. If an employee indicates to Licensee
that he or she wishes to arbitrate a dispute under these provisions, Licensee shall submit a joint
request for arbitration to the AAA. Licensee shall pay all fees, expenses and arbitrator
compensation except where the arbitrator finds that a claim or counterclaim was filed for
purposes of harassment or is patently frivolous. Parties shall each bear the cost of their own
attorneys, representatives and interpreters.

E. Paid Leave

1. Accrual

A Covered Employee shall accrue paid leave at a minimum of one hour for every 30 hours
worked. Hours worked must be actual hours worked and does not include sick, vacation or
other leave hours. A Covered Employee shall have the right carry over paid leave from
year to year and accrue up to 72 hours at any given time.

2. Use

A Covered Employer shall grant the use of paid leave to a Covered Employee for absences
caused by their own personal illness or injury or for the illness or injury of others as
outlined in Minnesota State Statute 181.9413. Paid leave must be paid at the Covered
Employee’s regular hourly rate of pay. A Covered Employer may not, as a condition of
taking sick time, require that an employee search for or find a replacement worker to cover
the hours in which an employee is absent. Paid Leave balances may be forfeited upon
termination of employment.

If a Covered Employee’s need to use paid leave is foreseeable, the employer may require
advance notice of the need to use paid leave. If not foreseeable, the employer may require
the Covered Employee to provide notice as soon as is practicable. With advance notice to
the employee, reasonable documentation of the reason for the paid leave may be required
by the employer for repeated, suspicious, and/or consecutive absences of three or more
shifts.

3. Wait Period
Accrual of paid leave shall commence at the beginning of employment. Licensee may require that employees be employed for no more than 90 days prior to use of accrued paid leave.

4. **Retention Upon Transition**

Covered Employees hired by a Successor Employer are entitled to keep and use all accrued, unused paid leave.

5. **Employer’s Existing Policy**

Additional paid leave is not required if Licensee’s policies meet or exceed the requirements of these provisions.

6. **Collective Bargaining Agreements**

These requirements shall not apply to Covered Employees subject to a valid collective bargaining agreement with Licensee, provided that such collective bargaining agreement is in existence at the time this Agreement goes into effect. Any future collective bargaining agreement shall meet or exceed the provisions of this section. Nothing in this Agreement will operate to diminish obligations Covered Employers may have under collective bargaining agreements.

F. **Employee Retention**

A Successor Employer shall offer employment to the predecessor’s Covered Employees who have been employed by the predecessor at the Airport for at least 90 calendar days preceding the termination date of the contract. If an employee accepts such offer of employment, the Successor Employer shall retain the employee for a period of 90 calendar days following the effective date of the provision of services.

During the 90 calendar day retention period, the Successor Employer shall retain the right to terminate a retained employee for cause, but not arbitrarily or capriciously. If at any time the Successor Employer determines that fewer employees are required to meet its obligations under its contract to provide services than were required by the predecessor, the Successor Employer shall retain the right to lay off retained employees based on staffing needs.

No less than 30 calendar days prior to the termination of Licensee’s contract, all Covered Employees shall be notified in writing that they have been placed on a qualified displaced worker list and that the Successor Employer will be required to offer him or her continued employment. The written notice shall clearly detail the employee retention process and timeline.

G. **Minimum Hourly Wage Rate**

Effective August 1, 2015, every Covered Employer must pay each Covered Employee who is also an employee as defined in Minn. Stat. 177.23, subdivision 7, wages at the rate of at least $1.00 per hour above the state of Minnesota minimum wage rate as established under Minn. Stat. 177.24 subdivision (1)(b)(1).

H. **Notice and Posting**

Every Covered Employer shall post in a conspicuous and accessible place at each facility where any employee works a notice of the current minimum wage, sick leave and worker retention
rights guaranteed under this section. Every Covered Employer shall provide to each Covered Employee at the time of hire written notice advising each employee of their rights under this section. The Metropolitan Airports Commission shall make available to Covered Employers the form of the written notice and the posting necessary to comply with this section.

12. **LIQUIDATED DAMAGES**

The failure of Licensee to adhere to MAC’s operating standards will result in inconvenience to the public, facility tenants, and will adversely affect the operation of the Airport. Quantification of the resulting damages is difficult. The parties agree that the liquidated damages set forth below are reasonable estimates of the actual damages that would be incurred by the public, facility tenants and MAC for the specified breaches of the foregoing operating standards, and Licensee agrees to pay to MAC liquidated damages in accordance with this section, at the rates or in the amounts specified below, upon the occurrence of the specified breach, and upon demand by the MAC.

The liquidated damages required by this section are solely for inconvenience to the public, other tenants at the Airport and adverse effects on Airport operations; payment of liquidated damages shall not relieve Licensee of responsibility for physical damage, personal injury, or other harm caused by Licensee, or its employees, agents or contractors.

For non-monetary defaults under this License Agreement, MAC in its sole reasonable discretion may determine if a violation of this License Agreement has occurred and may impose the following charges. MAC shall provide written notice of each offense to Licensee. Failure to pay assessment within thirty (30) days of such notice shall constitute default under this License Agreement.

The first offense in any category will result in a warning letter. The second offense will require Licensee to pay to MAC liquidated damages in the amount listed below. For a third and each subsequent offense in the same category, Licensee shall pay to MAC liquidated damages in the amount listed below. Licensee agrees that said amounts are fair compensation to MAC for said damage. MAC in no way waives its rights under this License Agreement, such as default and termination, or other remedies as prescribed by law through the imposition of liquidated damages.

<table>
<thead>
<tr>
<th>Violation</th>
<th>2nd Offense</th>
<th>3rd and Subsequent Offenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signage violations or placement of items or equipment in areas not authorized by MAC.</td>
<td>$250.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>Licensee fails to report to MAC any and all unscheduled or ad hoc business.</td>
<td>$250.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>Licensee fails to meet Section 5 Books and Records Requirements.</td>
<td>$250.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>Licensee fails to meet Section 6 Audit Requirements.</td>
<td>$250.00</td>
<td>$500.00</td>
</tr>
</tbody>
</table>

13. **INSURANCE**

A. Licensee shall obtain and maintain with insurance underwriters licensed, authorized or admitted in Minnesota and having an A.M. Best rating of at least A-, a standard policy, or policies, protecting MAC and Licensee against public liability, property damage, contractual liability, products liability and completed operations liability. Licensee shall provide prior to the execution of this License Agreement a comprehensive or broad form policy, or policies, with a combined single limit, including bodily injury and property damage of at least $50,000,000 per occurrence and in the aggregate. Additionally, Licensee