



DEPARTMENT OF AIRPORTS

Request for Proposals

**Common Use Airport Lounge, Specialty
Retail and Convenience**

Sacramento International Airport

**Mandatory Pre-Proposal Conference
April 17, 2014**

**Proposals Due
June 6, 2014**

PART 1

General Information and Instructions

Overview

Part 1 provides General Information and Instructions for the County of Sacramento's *Common Use Airport Lounge, Specialty Retail and Convenience Concession Agreement Request for Proposals (RFP)* at Sacramento International Airport (Airport).

Part 1

The topics covered in Part 1 are listed in the table below:

Section	Topic	Page
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Section A

The Request for Proposals

Solicitation of Proposals

The County of Sacramento (County) Department of Airports is soliciting proposals for the following three (3) concepts:

- *One Common Use Airport Lounge*
- *Two Specialty Retail Concessions and*
- *One Convenience Concession*

This RFP will result in the award of concession privileges for the construction and operation of a full service, common use airport lounge, specialty retail or convenience concession serving all passengers in Terminal A at the Airport in accordance with the terms and conditions of the Agreement attached to this RFP as Attachment 1.

Term and Effective Date of Agreement

The Agreement shall be effective upon approval by the Sacramento County Board of Supervisors (Board). The term of the Agreement shall expire seven (7) years from the date of completion construction of the common use airport lounge, specialty retail or convenience space.

Timeline for Process

The table below describes the estimated timeline for this RFP process and for awarding an Agreement:

Event/Action	Date(s)
County Releases RFP	March 20, 2014
Deadline for Submitting Questions	April 16, 2014 by 2:00 pm PST
Mandatory Pre-Proposal Conference: Sacramento International Airport Terminal B, 4 th Floor Administration Conference Room 4364 6900 Airport Boulevard Sacramento, CA 95837	April 17, 2014 at 10:30 am – 12:00 pm PST
Addenda Issued (if necessary)	April 24, 2014
Proposals Due	June 6, 2014 by 2:00 pm PST
County evaluates Proposals and selects finalists	June 9 - 13, 2014
Finalist Interviews (tentative if required)	June 23 - 27, 2014
Anticipated Board of Supervisors review/approval of selected proposer(s)	July 22, 2014

The RFP

(Continued)

RFP Contents

The RFP consists of the documents listed below (RFP Documents):
Part 1 - General Information and Instructions
Part 2 - Proposal
Attachment 1 - Concession Agreement
Attachment 2 - General Airport and Airline Information
Attachment 3 - Enplaned Passengers
Attachment 4 - Airport Maps, Facilities, and Ground Transportation
Attachment 5 - Concession Program Statistics or sales
Attachment 6 - Available Concession Locations Exhibits A1, A2, and A3
Attachment 7 - Financial Projections
Attachment 8 - Project Cost Analysis Form

RFP Documents

RFP Documents can be obtained from the Sacramento County Department of Airports' (Department of Airports) website, www.sacramento.aero. If a Proposer is unable to access this site for a copy, one (1) copy of the RFP can be provided via U.S. mail at no charge by contacting Joe Flores at (916) 874-0912. Any additional copies will require a processing fee of \$0.25 per page.

Due Date, Time and Location

Proposals are due at the following date, time and location:

Date: June 6, 2014
Time: 2:00 P.M. Pacific Standard Time (PST)
Location: Sacramento International Airport
Attn: Joe Flores
6900 Airport Boulevard
Sacramento, CA 95837-1109

Mandatory Pre-Proposal Conference

A Mandatory Pre-Proposal Conference is scheduled for **April 17, 2014** at the Airport. This conference will be held from **10:30 am to 12:00 pm PST** in the Terminal B Administration Conference Room 4364 at Sacramento International Airport, 6900 Airport Boulevard, Sacramento, CA 95837. The purpose of the conference will be to discuss the requirements and objectives of this RFP. Airport representatives will be available to answer questions.

Proposers are required to submit any questions or requests for clarification in advance of the Mandatory Pre-Proposal Conference. All questions and requests for clarification shall be submitted to Joe Flores at floresjoe@saccounty.net; or via US mail at, 6900 Airport Boulevard, Sacramento, CA 95837. Questions are to be received by the Airport no later than **2:00 pm PST on April 16, 2014**.

Please call (916) 874-0911 to make reservations to attend the Pre-Proposal Conference. **Reservations will be accepted for the Mandatory Pre-Proposal Conference through April 10, 2014.** A tour of potential locations will be offered; therefore, each attendee must bring valid government issued photo identification. No more than three

(3) representatives from any one (1) registered company will be permitted to attend the Mandatory Pre-Proposal Conference. Please ensure that you have received confirmation of your reservation.

At the Mandatory Pre-Proposal Conference, the Airport representatives will attempt to answer all written questions received in advance.

Proposers should note that all questions pertaining to the RFP are to be submitted in writing prior to the Mandatory Pre-Proposal Conference, as directed above.

**Right to
Cancel/Reject**

The County Board of Supervisors reserves the right to reject any or all proposals received or to cancel the award of the Agreement without liability to the proposer at any time before the Agreement has been fully executed by all parties and approved by the Board of Supervisors.

Section B

Proposal Rules

Proposal Submittals

Each proposal shall be written legibly in ink or typed. The proposer must:

- Submit one (1) clearly marked original and three (3) copies of the proposal in a sealed envelope at the location and by the deadline stated on page 3
- Indicate on the face of the envelope the following information:
 - Addressee: Sacramento County Department of Airports (see page 3 for complete address)
 - The words “Common Use Airport Lounge, Specialty Retail or Convenience Proposal”
 - The name and address of the proposer submitting the proposal
- Include all the **Proposal Items** listed on page 11 and use the forms required in Part 1, Section C and provided in Part 2
- Cover all the items in the management plan instructions (page 18)

Warning: *Proposers are warned against making erasures or alterations of any kind to the contents of their proposal. Proposals which contain omissions, erasures, alterations, conditions, or additions not called for may be rejected.*

Minimum Requirements

Proposers must:

1. Submit a complete proposal for each proposed concept.
 2. Attend the Mandatory Pre-Proposal Conference.
 3. Demonstrate experience owning or operating a common use airport lounge, specialty retail, or convenience operation with a minimum of two (2) years of continuous operation within the last five (5) years.
 4. Submit a Proposal deposit in a form acceptable to the County as further described in Section D.
 5. Submit a Proposal that demonstrates Proposer meets or exceeds financial resources to finance, construct, maintain and operate the common use airport lounge, specialty retail, or convenience concession as detailed in this RFP.
 6. Submit full and complete answers in response to questions in this RFP, numbered consecutively, with all requested information attached. Use additional forms and renderings to provide as much information as necessary to effectively communicate the proposed common use airport lounge, specialty retail, or convenience concept and the proposer’s qualifications.
 7. Provide written clarification or additional information within two (2) business days to any written request for such information by the County during the Proposal review and evaluation process.
-

**Proposal
Submittal Rules**

1. Proposers may propose on, and maybe awarded one (1) or more concepts, but the County reserves the right to award no more than one (1) concept to any single Proposers.
2. The County reserves the right to select a Proposer for the purpose of entering into an Agreement on the basis of Proposals submitted or to negotiate with Proposers for modification of the successful Proposal. By submission of a Proposal, the Proposer agrees to be legally bound thereby if its Proposal is accepted by the County.
3. The County shall not be obligated to respond to any Proposal submitted, nor shall it be legally bound in any manner whatsoever by the receipt of a Proposal.
4. Any and all Agreements arising out of Proposals submitted hereunder (including any negotiations that follow) shall not be binding on the County, its officers, employees, or agents unless duly approved by the Board.
5. Statistical information contained in these documents is for informational purposes only. The County is not responsible for any inaccuracies or interpretations of the statistical information provided during the RFP process. The County makes no representations as to the number of future enplanements and/or amount of future revenues.
6. Under the laws of the State of California, the Proposal submitted may be considered a public record after a recommendation is made for the selection of a Proposer and, except as noted below, will be available for inspection and copying by any person at that time. Information considered confidential by the Proposer may be submitted in a separate sealed envelope, with each page marked "Confidential Information." The County will take reasonable efforts to protect any information marked as "Confidential Information" provided that such information meets the criteria of information exempt from public disclosure under the law. It is understood, however, that the County shall have no liability for disclosure of such information.
7. The Letter to the Board of Supervisors (Part 2, Section A) shall be executed in the name of the business actually proposing to perform the Agreement, if awarded, followed by the signature of an authorized representative for the firm or sole proprietor and the printed or typewritten name and title of the officer signing.
8. In the case of corporate or partnership entities, if the signer is not a corporate President or Vice President, or general partner, please provide evidence of the authority of the signer. In the event of a joint venture Proposal, officers authorized by both entities must sign the Letter to the Board of Supervisors form (Part 2, Section A). The address and telephone number of the Proposer shall be typed or written on the form.
9. Proposals must be received by the Proposal Due Date and time at the address listed above. Any Proposal received after the scheduled Proposal Due Date and time will not be considered and will be returned unopened. The County reserves the right to extend or cancel the scheduled Proposal Due Date. Notice of such extension or cancellation shall be sent via an Addendum.
10. No Proposal may be withdrawn after it has been submitted to the

County without forfeiture of the Proposal Deposit unless the Proposer so requests in writing and such request is received by the before the Proposal Due Date.

11. In submitting the Proposal, the Proposer agrees that the Proposal will remain valid for one hundred and eighty (180) calendar days after the Proposal Due Date and may be extended upon mutual agreement.

12. The County reserves the right to waive minor irregularities.

Modification

Modification of a submitted proposal will be accepted only if received in writing at the office of the Director of Airports before the Proposal Due Date.

Proposer's Responsibility

The proposer shall carefully examine the terms of the RFP and shall judge for himself/herself all of the circumstances and conditions affecting his/her proposal.

Addenda

Any clarifications or changes in the RFP requirements or Agreement will be made by written Addendum to this RFP. Included in the Addendum will be all questions submitted prior to and during the Pre-Proposal Conference, the answers to those questions and a list of conference attendees. The County is not responsible for any explanation, clarification, interpretation or approval made or given in any manner except by written Addendum.

A copy of each Addendum will be posted at www.sacramento.aero and e-mailed to each person who attended the conference. Any Addenda so issued are to be considered a part of this RFP document. **Therefore, receipt of all Addenda issued during this RFP must be acknowledged on the *Administrative Items* form of the Proposal Support Documents (Part 2, Section A, page 16) and included with your Proposal.** Any Proposer failing to complete and return this page will be deemed non-responsive and may be disqualified from the Proposal process.

Collusion Prohibited

More than one Proposal for the common use airport lounge, specialty retail, or convenience concession from any individual, company, corporation, partnership or other entity under the same or different names will not be considered. Reasonable grounds for believing that any Proposer has a business or financial interest in more than one (1) Proposal will cause rejection of all Proposals in which such Proposer has such interest. If there is reason to believe that collusion exists among Proposers, none of the participants in such collusion will be considered.

Corporate Proposers

Corporate proposers must be authorized, and licensed as required, to do business in California, or shall obtain such authorization, and license as required, prior to expiration of the time period for execution of the Agreement, if awarded the Agreement.

Required Signatures & Related Information

The table below indicates the required signatures and related information required by the County on the *Letter to the Board of Supervisors* (page 17) of the proposal (Part 2).

<i>If the proposal is made by...</i>	<i>Then signature(s) are required on page 17 from...</i>	<i>And the proposal shall include...</i>
an individual	the individual making the proposal	the name and principal office address and phone number on page 21
a partnership	at least one of the general partners	the name of the partnership and its post office address on pages 21 - 23
a corporation	an officer authorized to execute contracts on behalf of the corporation	<ul style="list-style-type: none">• the name and title of the officer signing on behalf of the corporation, and• the state in which the corporation is chartered, and• a certified copy of the bylaws or resolution of the Board of Directors of the corporation along with the necessary signature authority documents showing that the officer signing the proposal has the authority to execute proposal documents and bind the corporation (page 24)
a joint venture	authorized representative of the joint venture	the name and address of each joint venture member on page 25 along with the necessary signature authority documents showing that each signatory has the authority to execute the proposal and bind the joint venture

Disclaimers

1. The County reserves the right in its sole and absolute discretion to choose to reject any or all Proposals which are in response to this RFP either on the basis of an evaluation of the factors listed in the preceding sections of this RFP or for other reasons deemed necessary.

2. Without limiting any of the foregoing statements and provisions of the preceding paragraphs, selection of an operator or operators either from among the Proposers responding to this RFP, or otherwise, as herein set forth will be made solely at the Sacramento County Board of Supervisors discretion regardless of the data submitted by any Proposer. The selection committee will evaluate the criteria listed, and such other factors as it considers appropriate, and will act with respect to its discussions, negotiations, and determinations as to whether or not to select an operator or operators in accordance with its judgment and in its sole discretion in its determination of its interests and regardless of whether any Proposer or any other interested person regards the County's determination as unreasonable, unfair, arbitrary, discriminatory or capricious.

3. Neither the expression of a Proposer's interest, nor the submission of a Proposer's qualifications and any other information, nor the acceptance thereof by County staff or the selection committee, nor any correspondence, discussions, meetings or other communications between Proposer and County or the selection committee, nor a determination that a Proposer is qualified hereunder shall impose any obligation to include Proposer in any such further procedures which may be utilized prior to the final selection of an operator, shall be construed or interpreted by Proposer to impose any obligations whatsoever to select Proposer as the operator, to discuss any proposal which the Proposer may submit, to enter into negotiations with Proposer, or shall entitle Proposer to any compensation or reimbursement for any costs or expenses incurred by Proposer in connection with the expression of Proposer's interest and the submission of Proposer's qualifications hereunder.

4. Neither the furnishing of this RFP to Proposer, the submission of any materials, documents, or other information by the Proposer, nor the acceptance thereof by County staff or selection committee, nor any correspondence, discussions, meetings or other communications between Proposer and County staff or selection committee, nor anything stated by County staff or selection committee in or at any such correspondence, discussions, meetings or other communications shall be construed or interpreted by Proposer to mean that the County has made a determination that Proposer is qualified to be an operator or shall be deemed to impose any obligations whatsoever to approve Proposer or to compensate or reimburse Proposer for any costs or expenses incurred in responding to the RFP.

5. The County reserves the right to conduct a thorough investigation to verify the qualifications and financial resources of each proposer. The County may consult all personal, business and financial references familiar with Proposer's prior operations and construction or management of prior projects. Submission of Proposer's response to the RFP shall constitute permission for the County to make such inquiries and authorization to third parties to respond thereto.

6. Any information given to County staff or the selection committee in any correspondence, discussion, meeting or other communications between the Proposer and County staff before, with or after the submission of Proposer's response to this RFP, either orally or in writing, will not be or be deemed to have been, given in confidence and may be used or disclosed to others for any purpose at any time without obligation or compensation and without liability by the County of any kind whatsoever. The foregoing applies to any information, whether or not given at the invitation of the County or selection committee. Any statement which is inconsistent with the foregoing provisions of this paragraph whether made as a part of, or in connection with, any information received from Proposer or otherwise made at any time in any fashion, and whether made orally or in writing, shall be deemed null and void and of no force or effect. Neither the County, nor any officer, agent nor employee thereof shall be liable to Proposer as a result of any statements made.

7. Once the RFP is issued, Proposers and their representatives, agents, and affiliates (including their prospective subtenants and joint venture partners, and the agents and representatives of any subtenants or joint venture partners), shall not contact members of the selection committee, County staff or other County representatives to discuss, ask questions about the contents of this RFP, influence the Agreement award or selection process outside of the process as provided in this RFP. All questions shall be submitted in writing as described above. Inappropriate contact by the Proposer during the process can result in the rejection or disqualification of the Proposer's response.

Section C

Items To Be Included in Proposals

Purpose

The purpose of requiring each proposer to include all of the proposal items listed below is to provide the County with evidence that the proposer has the necessary qualifications and financial resources to fulfill the conditions of the Agreement. Each proposer must submit the information identified below, applicable forms contained in the RFP and include descriptions/information as requested in this RFP.

Proposal Items

In order for a proposal to be considered complete, it must contain the following items, filled out in their entirety, as applicable:

- **All of Part 2, Section A - Proposal Support Documents**
(pages 16 through 20)
 - .. Cover Letter (point of contact and contact information, including e-mail address, shall be listed)
 - .. Executive Summary (include a statement certifying that the Proposer meets or exceeds the minimum requirements of this RFP)
 - .. Administrative Items (addenda received filled in)
 - .. Letter to Board of Supervisors
 - .. Management Plan
 - .. Warranties
 - .. Proposal Deposit
 - **Applicable Portions of Part 2, Section B - Business Organization**
(pages 21 through 25)
 - .. In Section B, all proposers are required to submit a completed *General Information* form, then fill out the remaining forms that pertain to the proposer's type of business entity (*Example: If business entity is a corporation. Fill out the General Information form and the Corporation Statement*).
 - **All of Part 2, Section C - Qualifications Statement**
(pages 26 through 35)
 - .. Business Experience
 - .. Financial Information
 - .. References--form and letter(s) from business references and proposer's bank(s), at least one bank reference is required
 - .. Felony Convictions, if any
 - **Additional Information*** (as desired)
 - .. Information must be pertinent to the evaluation of the proposal and is limited to 5 pages
-

Items to be Included in Proposals

(Continued)

Incomplete Proposal

Failure to answer all questions completely and furnish all information required, as outlined above, will result in disqualification of the proposer.

Please Note: Any and all pages of each document submitted with the proposal, including the management plan or additional information, must include the proposer's name, the date of proposal and the words "Common Use Airport Lounge, Specialty Retail or Convenience" on each page of the document.

Section D

Proposal Deposit

Deposit Required

Each proposal must be accompanied by a proposal deposit as outlined below:

<i>Please supply a...</i>	<i>Conditions of the deposit...</i>
Check or warrant	<ul style="list-style-type: none">• A certified check or cashier's check• In the amount of \$5,000 for each concept proposed• Made payable to the County of Sacramento

***NOTE:** In the event the County cancels the award of the Agreement prior to execution, all proposers' proposal deposits will be returned.*

Successful Proposer's Proposal Deposit

The County will release or return the successful proposer's proposal deposit within thirty (30) days after both parties have executed the Agreement so long as proposer executes and returns the Agreement by the date required by the County.

<i>If the successful proposer...</i>	<i>Then the proposal deposit or bond will be...</i>
Executes and returns the Agreement by the date required by County	Refunded to the proposer
Fails to execute and return the Agreement by the date required by County	Forfeited to and retained by the County as liquidated damages

Claims of proposer error or mistake shall not be a basis for recovery of the proposal deposit or bond.

Unsuccessful Proposer's Proposal Deposit

Proposal deposits or bonds from the unsuccessful proposers will be returned or released within thirty (30) days of execution of an Agreement with the successful proposer.

In no event, however, shall the unsuccessful proposer's deposit or bond be held by the County beyond a period of one hundred twenty (120) days after the submittal due date of the proposals.

Section E

Evaluation of Proposals

Evaluation Factors

The County and a selection committee will evaluate proposals to determine which proposer offers the best common use lounge, specialty retail or convenience concession concepts to serve passengers at the Airport. The evaluation panel shall use the following criteria, weighted according to the number of points assigned to each criterion, in arriving at its ranking:

1. Proposed Concept and Design - 30 points
 2. Proposed Financial Offer - 30 points
 3. Qualifications and Experience - 20 points
 4. Management and Operation Plan - 20 points
-

Relative Weight

Evaluation of the overall proposal will bear more weight than any individual part.

Analytical Techniques

The County may employ such analytical techniques and professional consultants for proposal evaluation as it deems necessary. The County intends to award the Agreement to the best qualified proposer making the proposal that will best serve the interests of the County. Such decision will be made by the Sacramento County Board of Supervisors, in its sole discretion, and such decision shall be final.

PART 2

Proposal

Overview

Part 2 provides the proposal forms for responding to the County's *Common Use Airport Lounge, Specialty Retail and Convenience Concession Agreement* Request for Proposal (RFP) at the Airport.

Part 2

Part 2 contains the forms to be submitted with each proposal for each proposed concepts. The forms are listed in the table below:

Section	Topic Form	Page
A	Proposal Support Documents	
	-Administrative Items	16
	-Letter to the Board of Supervisors	17
	-Management Plan	18-19
	-Warranties by Proposer	20
B	Business Organization	
	-General Information	21
	-ACDBE Participation	22
	-Partnership Statement	23
	-Corporation Statement	24
	-Joint Venture Statement	25
C	Qualifications Statement	
	-Business Experience	26-27
	-Financial Information	28-30
	-References	31-33
	-Felony Convictions	34-35

Section A

Proposal

Administrative Items

Affirmation

By signing the *Letter to the Board of Supervisors* (page 17) and submitting a complete proposal, the proposer gives the following assurances and information and covenants that the proposer is fully qualified to provide the required common use airport lounge, specialty retail or convenience concession service at the Airport. The proposer further affirms that the following submitted information is true and accurate and may be relied upon by the County in evaluating the proposal.

Receipt of Addenda

Receipt is acknowledged of the following addenda (proposer shall list all addenda received and include this page within its proposal):

- 1.
 - 2.
 - 3.
 - 4.
-

Right to Negotiate

Proposer acknowledges that County retains the right to negotiate any terms and/or conditions of the Agreement and/or locations prior to execution of the Agreement by the Board or the Director of Airports.

Required Information

The management plan and any additional information submitted with the proposal which is not on the forms provided in Part 2 must include the following information on each page:

- Proposer's name
 - Date of proposal
 - The words "Common Use Airport Lounge, Specialty Retail or Convenience Proposal"
-

Letter to the Board of Supervisors

Date: _____, 2014

TO: Honorable Board of Supervisors
County of Sacramento, California

SUBMITTED BY:

Proposer: _____

Proposer's Company: _____

Mailing Address: _____

City, State, Zip: _____

SUBJECT: PROPOSAL FOR COMMON USE AIRPORT LOUNGE, SPECIALTY RETAIL OR CONVENIENCE CONCESSION AGREEMENT AT SACRAMENTO INTERNATIONAL AIRPORT

I, the undersigned, acknowledge that I have: carefully read, examined and understand the RFP, the attached draft Agreement and the proposed location for the common use airport lounge, specialty retail, or convenience concession opportunity; guarantee our proposal meets or exceeds specifications contained in this RFP document; and warrant that if the proposal is accepted, we will contract with the County of Sacramento in the form of an Common Use Airport Lounge, Specialty Retail or Convenience Concession Agreement (Agreement) and comply with the requirements of the RFP and the executed Agreement. Any exceptions are described in detail and all requested information has been submitted as requested.

I also affirm that I am duly authorized to execute the Agreement contemplated herein; that this company, corporation, firm, partnership, or individual has not prepared this proposal in collusion with any other proposer and that the contents of this proposal as to rent, terms or conditions of said proposal have not been communicated by the undersigned nor any employee or agent to any other proposer or to any other person(s) engaged in this type of business prior to the official opening of the proposal.

Print Name Print Title Signature

Print Name Print Title Signature

Print Name Print Title Signature

(If the proposal is submitted by a corporation the corporate seal must be affixed to this proposal.)

Seal

Management Plan

Instructions for Management Plan

Each proposer shall submit with their proposal a management plan to support the requirements of the *Common Use Airport Lounge, Specialty Retail or Convenience Concession Agreement* (Attachment 1). Such management plan shall include, but is not limited to:

- Proposed Concept and Design

Proposer shall submit the following information in sufficient detail to clearly define the proposed concepts:

Common Use Airport Lounge: All Proposers must submit a description of concept including services or products offered, color renderings detailing the proposed common use lounge concept. The design should include, but not limited to the following areas: reception/entry way, workstations, conference rooms, quiet seating, TV/Group seating, food service, full service bar, food prep/storage, restrooms, and a room set aside for other services as may be described by the successful proposer.

Specialty Retail: All Proposers must submit a description of concept including merchandise generally consistent with a single theme or product category, (e.g., clothing, jewelry, fragrances and cosmetics, travel accessories, souvenirs, etc.)

Convenience: All Proposers must submit a description of concept including design, branding and merchandising to serve passengers convenience needs.

- Proposed Financial Offer

Explain how the proposed concept will enhance the overall concession program, appeal to the traveling public, and optimize sales and therefore revenue to the County and include:

- sales projections for concept
- proposed MAG Agreement Year One; and
- proposed percentage of sales payable to the County as rent.

- Qualifications and Experience

Proposals will be accepted from companies that have at least two (2) years of experience within the last five (5) years directly operating the proposed concept. Clearly identify your qualifications and describe concession experience in airports or other large public venues. Include:

- a list of comparable operations or concepts; discuss the venue, contract term, and highest and lowest gross receipts for each concept during the most recent full year of operation
- an organization/functional chart
- management duties and responsibilities, by individual position
- local management team, including experience and qualifications

- Management and Operations Plan

Each Proposer must submit information with regard to how the operation will be managed in a way that maximizes sales and service to the traveling public, employees, and visitors to the Airport.

Proposals shall include:

- proposed description of the day to day operations schedule, staffing plan, pricing list for services and merchandise offered, approach to quality control, corporate monitoring, and supervision in order to maintain high levels of service, sales, and rent to the County
- proposed schedule for regular cleaning, maintenance, refurbishing, and visual and functional inspections of space.
- merchandise or product storage requirements
- customer service programs and discuss how customer complaints will be resolved

Information to Include

Each page of the management plan shall also include the following:

- Proposer's name
 - Date of proposal
 - The words "Management Plan" and "Common Use Airport Lounge, Specialty Retail or Convenience"
-

Warranties by Proposer

Proposal Deposit Proposer warrants and agrees that attached to the original proposal submitted in response to this RFP is a \$5,000 proposal deposit, per concept, payable to the County of Sacramento in a form as listed in Part 1, Section D.

Capability to Perform Proposer has carefully read and fully understands the Agreement (Attachment 1) and has the capability to carry out all of the responsibilities set forth therein.

Qualifications Statement The accompanying *Qualifications Statement* form (Section C) has been completed to the best of proposer's abilities.

County Right to Investigate By submission of this proposal, proposer acknowledges that the County has the right to make any inquiry or investigation it deems appropriate to substantiate or supplement information contained in the *Qualifications Statement*. Proposer authorizes the release of any and all information sought in such inquiry or investigation to the County.

Successful Proposer's Ten-Day Requirement The table below indicates what the successful proposer must do within ten (10) days after receipt of the Agreement when offered for execution by County.

Step	Action
1	Sign and return the Agreement
2	Provide the security deposit as required by the Agreement
3	Provide evidence of insurance as required by the Agreement

Genuine Proposal Proposer declares the following by the submission of this proposal:

- The proposal is not made in the business or financial interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation.
- The proposer has not directly or indirectly induced or solicited any other proposer to submit a false or sham proposal, and has not directly or indirectly colluded or agreed with any to submit a sham proposal or to refrain from submitting a proposal.
- The proposer has not, directly or indirectly, divulged information or data relative this proposal to any other person, partnership, corporation or association, except to such person or persons that have a business or financial interest in the proposer's business.

Section B

Business Organization

General Information

Instructions

For Section B, all proposers are required to submit a completed *General Information* form and then fill out the remaining forms that pertain to the proposer's type of business entity (*Example: If business entity is a corporation fill out the General Information form and the Corporation Statement*).

Business Information

Fill in the following information **exactly** as it is to appear on the Agreement; if operating under a fictitious name, so indicate.

Name of Firm: _____

Business Purpose
of Proposer: _____

Principal Office Address: _____

Telephone #: _____

Facsimile #: _____

Form of Business Entity

Please check the box that describes your business entity.

<input type="checkbox"/>	Individual	<input type="checkbox"/>	Corporation
<input type="checkbox"/>	Partnership	<input type="checkbox"/>	Joint Venture

ACDBE Participation

**Airport
Concession
Disadvantaged
Business
Enterprise
(ACDBE)
Program**

The County encourages all businesses, including those owned and controlled by one (1) or more socially and economically disadvantaged individuals that can provide the desired product or service, to submit a Proposal. If you are currently certified as an ACDBE, please include a copy of your ACDBE certification letter along with your Proposal. This information will be used for ACDBE utilization tracking purposes only.

If you are a business owned and controlled by one or more socially and economically disadvantaged individuals and you are not currently certified as an ACDBE firm, but you wish to receive information on how to become certified, please contact the State of California, Department of Transportation, Civil Rights Program at either (916) 324-1700 or (866) 810-6346. You may also visit their website at <http://www.dot.ca.gov/hq/bep/index.htm>.

Partnership Statement

Partnership Information

If your business is operating as a partnership, please provide the following information.

Date of Organization: _____

Type of Partnership: ___ General ___ Limited

Business Purpose of Partnership: _____

Is Partnership Agreement recorded: ___ Yes ___ No

Recorded: _____
 Date Book Page County State

Has the Partnership done business in California? ___ Yes ___ No

If so, when? _____

General Partners' Information

Please provide the following information for each General Partner. (Attach additional pages, if necessary.)

General Partner's Name and Address	% of Ownership

Corporation Statement

Corporation Information

If your business is operating as a corporation, please answer the following questions:

When incorporated? _____

Where incorporated? _____

Is the corporation authorized to do business in California?
_____ Yes _____ No

If yes, as of what date? _____

Is the corporation held: _____ Publicly? _____ Privately?

Directors' Information

Please supply the following information for each and every Director. (Attach additional pages, if necessary)

Director Name & Address	Principal Business Affiliation (Other than Proposer's directorship)

Officers' Information

Please supply the following information for each officer. (Attach additional pages, if necessary)

Officer Name	Position

Action Required

Please attach a certified copy of the relevant portion of the bylaws or resolution of the Board of Directors of the corporation showing the signature authority of the Officer signing the proposal and other contracts on behalf of the corporation.

Joint Venture Statement

Joint Venture Information

If your business is operating as a joint venture, please provide the following information.

Is Joint Venture Agreement recorded? Yes No

Recorded: _____
 Date Book Page County State

Purpose of Joint Venture:

Has Joint Venture done business in California? Yes No

When? _____

Ownership Information

Provide the name and address of each member of the Joint Venture and percentage of ownership of each. (Attach additional pages, if necessary.)

Joint Venture Member Name & Address	% Of Ownership

Action Required

Please attach the signature authority document showing the signatories are authorized to execute the proposal and bind the joint venture.

Section C

Qualifications Statement

Business Experience

**Common Use
Airport Lounge,
Specialty Retail
or Convenience
Concession
Experience**

The proposer has managed or operated a common use airport lounge, specialty retail or convenience concession at the following locations:

Date: _____
From _____ To _____

Location: _____

Annual Enplanements: _____

Annual Gross Revenues: _____

Contact's Name: _____

Phone number: _____

E-mail address: _____

Date: _____
From _____ To _____

Location: _____

Annual Enplanements: _____

Annual Gross Revenues: _____

Contact's Name: _____

Phone number: _____

E-mail address: _____

(use additional sheets for other locations not to exceed five (5) total)

**Proposer's
Operating Name**

The proposer has operated under its current name since _____,
a period of _____ years and _____ months, and the proposer
(if such be the case) formerly operated under the name:

Business Experience

(Continued)

Proposer's Unsuccessful Operations

The proposer has been unsuccessful in retaining its concession agreement at the following locations during the past five (5) years (list all sites where agreements have expired or been terminated, whether or not the proposer sought a subsequent contract).

Current Litigation

The proposer _____ is _____ is not currently involved in litigation. (If the answer is in the affirmative, please identify the business location and give such information as is required to explain the circumstances.)

(use additional sheet to explain circumstances)

Financial Information

Disclosure of Financial Information

In the event the proposer requests that the County of Sacramento receive and maintain any of the submitted financial information in confidence, the proposer understands that the County may make a determination as to whether any such information may be exempt from disclosure under the California Public Records Act (Government Code Sections 6250, et seq.).

The proposer agrees that the County may make such disclosure or reproduction of such financial information as is deemed necessary or convenient by County, its officers, agents, or employees, for County's use in proposal evaluation and comparison; provided however, if any person makes a request under the Public Records Act to review or be provided with copies of such financial information or any part thereof, and County denies such requests, immediately upon notification thereof, the proposer agrees to defend County and its officers, agents, and employees against any action resulting from denial of such request and agrees to hold County and its officers, agents and employees harmless from any costs, expenses and damages that may result.

If the proposer fails to promptly provide such defense, the County, its officers, agents, and employees shall be free to grant such requests, and the proposer shall be deemed to have waived any cause of action whether in law or in equity, that it may have against the County respecting such disclosure.

Submittal of Financial Statements

For the purpose of establishing a clear picture of the proposer's financial capability and current fiscal operating position, the proposer herewith submits financial statements including profit and loss statements for the two (2) most recently completed fiscal years.

Each such statement either bears the certification of the independent Certified Public Accountant who originally audited and certified such statements or the signature of the proposer's Chief Financial Officer if such statements are unaudited.

Financial Information

(Continued)

**Bond or Surety
Cancelled or
Forfeited**

The proposer _____ has _____ has never had a bond or surety cancelled or forfeited. If the response is in the affirmative, state the following:

Name of bonding company: _____

Date cancelled: _____

Amount of bond: _____

Reason for cancellation or forfeiture: _____

Bankruptcy

The proposer _____ has _____ has never been adjudged a bankrupt (Chapter 7), or petitioned the court for relief under the Bankruptcy Code or Act for either business reorganization (Chapter 11) or the Wage Earner's Plan (Chapter 13). If the response is in the affirmative, state the following:

Date petition filed: _____

Case number and jurisdiction: _____

Amount of liabilities and debts: _____

Date of discharge or successful completion
of reorganization or wage earner's plan: _____

Current status: _____

Financial Information

(Continued)

Unfavorable Audit

The proposer _____ has _____ has never received an unfavorable audit of its financial performance in conjunction with contractual agreements. Unfavorable here is defined as an error in payment equal to or in excess of three percent. If the response is affirmative, please state the following:

Name of business: _____

Location of business: _____

Date of audit: _____

Explanation of audit discrepancy: _____

References

Business References

The proposer submits herewith the following list of persons or firms (at least three) with whom the proposer has conducted financial transactions crucial to its common use airport lounge, specialty retail or convenience service during the past two (2) years and who may be contacted by the County. If firms are used, give the name of the department and/or person whom we may contact.

Proposers are to attach a letter of reference from each of the persons or firms listed below.

Business Reference #1

Name: _____

Title: _____

Firm/Department: _____

Address: _____

Phone: _____

E-mail: _____

Business Reference #2

Name: _____

Title: _____

Firm/Department: _____

Address: _____

Phone: _____

E-mail: _____

References

(Continued)

Business References, Continued

Business Reference #3

Name: _____

Title: _____

Firm/Department: _____

Address: _____

Phone: _____

E-mail: _____

Bank References

The proposer herewith submits a letter from each of the following bank references indicating the proposer's credit standing and the proposer's ability to undertake the operation of the proposed Agreement.

Important: At least **one (1)** bank reference and letter shall be submitted.

Bank Reference #1

Bank Name: _____

Branch: _____

Address: _____

Phone: _____

E-mail: _____

References

(Continued)

**Bank
References,
Continued**

Bank Reference #2

Bank Name: _____

Branch: _____

Address: _____

Phone: _____

E-mail: _____

Bank Reference #3

Bank Name: _____

Branch: _____

Address: _____

Phone: _____

E-mail: _____

Felony Convictions

Felony Convictions

The proposer submits herewith the following information on felony convictions. State on the next page if any of the management/officers of the organization and on-site service team proposed for the Airport have been convicted of any of the twenty-eight (28) crimes listed below in the last ten (10) years:

1. Forgery of certificates, false marking of aircraft, and other aircraft registration violations;
 2. Interference with air navigation;
 3. Improper transportation of a hazardous material;
 4. Aircraft piracy;
 5. Interference with flight crew members or flight attendants;
 6. Commission of certain crimes aboard an aircraft in flight;
 7. Carrying a weapon or explosive aboard an aircraft;
 8. Conveying false information and threats;
 9. Aircraft piracy outside the special aircraft jurisdiction of the United States;
 10. Lighting violations involving transporting controlled substances;
 11. Unlawful entry into an aircraft or airport area that serves air carriers or foreign air carriers contrary to established security regulations;
 12. Destruction of an aircraft or aircraft facility;
 13. Murder;
 14. Assault with intent to murder;
 15. Espionage;
 16. Sedition;
 17. Kidnapping or hostage taking;
 18. Treason;
 19. Rape or aggravated sexual abuse;
 20. Unlawful possession, use, sale, distribution, or manufacture of an explosive or weapon;
 21. Extortion;
 22. Armed or felony unarmed robbery;
 23. Distribution of, or intent to distribute, a controlled substance;
 24. Felony arson;
 25. A felony involving a threat;
 26. Felony involving:
 - a. Willful destruction of property;
 - b. Importation or manufacture of a controlled substance;
 - c. Burglary;
 - d. Theft;
 - e. Dishonesty, fraud or misrepresentation;
 - f. Possession or distribution of stolen property;
 - g. Aggravated assault;
 - h. Bribery; and;
 - i. Illegal possession of a controlled substance punishable by a maximum term of imprisonment of more than 1 year
 27. Violence at international airports or;
 28. Conspiracy or attempt to commit any of the criminal acts referred to in clauses 1 through 27.
-

Felony Convictions

(Continued)

Felony Convictions

The proposer submits herewith the following information on felony convictions (for the individual if proposer is an individual, for each general partner if the proposer is a partnership, for each joint venture party if proposer is a joint venture, for each corporate officer if proposer is a corporation).

The proposer _____ has _____ has not

had any felony convictions. If the answer is “has”, provide the information below.

Name	Date	Offense	Disposition

Evaluation of Information

The proposer agrees that the County’s evaluation of the proposer’s responsibility under this proposal will include an evaluation of the information furnished above, for the purpose of determining whether the common use airport lounge, specialty retail or convenience concession as proposed by the proposer would be operated in a law-abiding manner and in a manner not subjecting County or the public to risk of harm or criminal, deceitful, or otherwise unethical practices.

Authorized to Conduct Business

The proposer hereby affirms that the proposer is authorized to conduct business in the State of California. Proposer shall list its true legal name as registered with the Secretary of State for the State of California.

Attachment 1

**Common Use Airport Lounge, Specialty Retail or Convenience
Concession Agreement
Sacramento International Airport**



DEPARTMENT OF AIRPORTS

CONCESSION AGREEMENT

SACRAMENTO INTERNATIONAL AIRPORT

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RETAIL CONCESSION AGREEMENT

SACRAMENTO INTERNATIONAL AIRPORT

THIS AGREEMENT is made and entered into this ____ of _____, 2014, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereafter "County," and XXXXXX, a corporation organized and existing under the laws of the State of XXXXXX, and authorized to do business in the State of California, hereafter "Concessionaire."

WHEREAS, County is owner of the Sacramento International Airport (Airport), located in the County of Sacramento and such Airport is operated by the Sacramento County Department of Airports (Department of Airports); and

WHEREAS, as a result of the Request for Proposal (RFP) that was issued on February 13, 2014, Concessionaire was selected to provide services within Terminal A at the Airport; and

WHEREAS, under Government Code Section 25536, for commercial business purposes incidental to the Airport or not inconsistent with the commercial development of the Airport, the County is authorized to lease real property at the Airport.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants set forth herein below, County and Concessionaire hereby mutually agree as follows:

ARTICLE 1

Definitions

As used herein, the following words and phrases shall have the meanings set forth below:

1.01 ACDBE

“ACDBE” means Airport Concessions Disadvantaged Business Enterprise.

1.02 Agreement

“Agreement” means this written Retail Concession Agreement between the County and Concessionaire covering the leasing of premises and permitted operations at the Airport.

1.03 Agreement Year

“Agreement Year” means each period that includes twelve (12) full calendar months commencing July 1 and expiring June 30.

1.04 Airport

“Airport” means that portion of Sacramento International Airport operated by the Sacramento County Department of Airports as a public airport.

1.05 Airside

“Airside” means the airfield and the areas beyond the security checkpoints and passport and customs control in the Airport terminals.

1.06 Concessionaire

“Concessionaire” means the Airport tenant or lessee, or its authorized representative(s), whose business is non-airline related, who sells goods and/or services for a profit, and who is performing under this Agreement.

1.07 County

“County” means County of Sacramento, a political subdivision of the State of California, as represented by the Sacramento County Board of Supervisors.

1.08 County Airport System

“County Airport System” means the Sacramento County Airport System and any County agency succeeding to its jurisdiction.

1.09 Day

“Day” means a calendar day of twenty-four (24) hours measured from midnight to the next midnight.

1.10 Date of Beneficial Occupancy

“Date of Beneficial Occupancy” means the first day which the Tenant Improvements are ready to be used for their intended purpose, as determined by the County.

1.11 Director

“Director” means the Director of Airports of the County Airport System, and his/her authorized representatives.

1.12 DOT

“DOT” means the Department of Transportation of the United States government and any federal agency succeeding to its jurisdiction.

1.13 FAA

“FAA” means the Federal Aviation Administration of the United States government and any federal agency succeeding to its jurisdiction.

1.14 Fiscal Year

“Fiscal Year” means July 1 – June 30.

1.15 Gross Revenues

“Gross Revenues” means all monies received by or due to Concessionaire, its Subtenants or any other person selling goods or services for a profit in, at or from the Leased Premises for cash, credit or otherwise, without reservation or deduction for uncollected amounts, credit card fees or charges, or collection costs, including, but not limited to:

1. All sales and services occurring on the Leased Premises, including all orders that originate in, at, or from the Leased Premises, regardless of where delivery or performance is made;
2. Orders that are made to and/or filled from the Leased Premises pursuant to mail, telephone, fax, catalog, internet, or otherwise received, filled, or distributed from the Leased Premises;
3. Any income resulting from transactions originating in, at, or from the Leased Premises, and deposits not refunded to customers; and
4. Compensation of any kind received from a distributor or manufacturer for promoting or advertising any product on the Leased Premises or elsewhere at the Airport.

“Gross Revenues” of Concessionaire, its Subtenants and any other person selling goods or services for a profit in, at or from the Leased Premises shall exclude:

1. All credits or refunds made to customers under such generally acceptable terms and conditions as are first approved in writing by the County;
2. All sums or credits received in settlement of claims for loss or damage to merchandise;
3. All sales taxes, retailers’ excise taxes, Gross Revenues taxes, transaction taxes, or similar equivalent taxes paid to or collected by or payable by Concessionaire, its Subtenants or any other person selling goods or services for a profit in, at or from the Leased Premises, as are first approved in writing by the County as excludable items;
4. The amount of any gratuities paid or given by patrons or customers to or for employees of Concessionaire, its Subtenants or any other person selling goods or services for a profit in, at or from the Leased Premises;
5. The amount of any promotional discount and coupon offers issued to customers as a result of a County approved marketing plan;
6. The proceeds from the sale of capital assets or expendables;
7. Charges paid to the Concessionaire by its customers for the mailing of purchased items, but only to the extent of the actual mailing cost thereof;
8. The receipts from the sale or trade-in value of any equipment or materials not constituting an item inventoried by the Concessionaire for sale to the public used on the Leased Premises by the Concessionaire;

9. The value of any merchandise, supplies or equipment exchanged or transferred from or to other locations of business of the Concessionaire, where such exchange or transfer is not made for the purpose of avoiding inclusion of a transaction which would otherwise be made from or at the Leased Premises; or

10. Receipts in the form of refunds from, or the value of merchandise, supplies or equipment returned to, shippers, suppliers or manufacturers.

1.16 HVAC

“HVAC” means heating, ventilating and air-conditioning.

1.17 Landside

“Landside” means all areas of the Airport not located on the Airside, as defined herein.

1.18 Leased Premises

“Leased Premises” means those certain premises at the Airport, more particularly described in Section 2.01, and shown on EXHIBITS A1, A2, and A3.

1.19 LLC

“LLC” means limited liability company.

1.20 MAG or Minimum Annual Guarantee

“MAG” or “Minimum Annual Guarantee” means the minimum amount of annual Rent to be paid by a Concessionaire to the County, subject to each and every term and condition of this Agreement.

1.21 Percentage Rent

“Percentage Rent” means the amount payable to the County as Rent, which is based on a percentage(s) of Concessionaire’s Gross Revenues, as shown in Section 2.03 C.

1.22 Rent

“Rent” means, for each Agreement Year, the greater of the MAG or the Percentage Rent.

1.23 Rent Commencement Date

“Rent Commencement Date” means the date the Concessionaire is obligated to commence payment of Rent under this Agreement, which shall be seven months from Date of Beneficial Occupancy.

1.24 Sense of Place

“Sense of Place” means the unique spirit, characteristics and flavor of the Sacramento Region, its culture and lifestyles as reflected in the region’s environment, history, industries and people.

1.25 Sign

“Sign” means any advertising sign, billboard, identification sign or symbol, poster, or other similar device, regardless of content.

1.26 State

“State” means the State of California.

1.27 Subtenant

“Subtenant” means any individual, company, corporation, partnership or other entity entering into an agreement with Concessionaire, with the advance written approval of the County, to sublease all or any portion of its Leased Premises.

1.28 Tenant Improvements

“Tenant Improvements” are all improvements or alterations constructed and installed on the Leased Premises by Concessionaire, its agents, employees, Subtenants, contractors, subcontractors, licensees and/or representatives that are affixed in any manner to the Leased Premises and that have been approved by the County.

1.29 Trade Fixtures

“Trade Fixtures” are all fixtures, furnishings and equipment, affixed in such a manner that they can be readily removed without damage to the remainder of the Leased Premises and without substantially changing the character of the improvements, and are the removable personal property that Concessionaire places upon the Leased Premises for use in operation of the retail concession. All non-affixed items, including point of sale equipment, moveable furnishings, safes, racks, telephone equipment, and non-affixed display fixtures, shall be deemed to be Trade Fixtures for the purposes of this Agreement.

1.30 TSA

“TSA” means the Transportation Security Administration of the United States government, and any federal agency succeeding to its jurisdiction.

ARTICLE 2

Special Conditions

2.01 Leased Premises

A. Concession Locations

County hereby leases to Concessionaire the following premises at the Airport more particularly described below and shown on EXHIBITS A1, A2, or A3, attached hereto and incorporated herein by this reference:

Type of Space/Concept	Approximate Square Feet
Common Use Airport Lounge	2189.97
Specialty Retail	549.43
Specialty Retail	814.77
Convenience Concession	913.70

B. Expansion, Contraction and Relocation

The County may expand, contract or relocate any portion or all of the Leased Premises due to Airport development/construction, operational necessity, security, or safety considerations. In such event, Concessionaire shall be given no less than ninety (90) Days prior written notice unless circumstances beyond the control of the County occur (e.g., because of a direct or indirect requirement by TSA or another governmental authority), in which case notice may be less. If, at the County's determination, Concessionaire is unable to reasonably continue its operations at a concession location as a result of a space contraction as authorized herein, County will attempt to provide reasonably comparable space for relocation within Terminal A, but makes no guarantee of such availability. Concessionaire shall fully cooperate so that any such expansion, contraction or relocation occurs within the time frame as determined by the County. Any expansion, contraction or relocation required hereunder will not affect Concessionaire's Rent and other payment obligations under this Agreement unless such change results in a change in total square footage leased to Concessionaire in excess of fifteen percent (15%), in which case the MAG will be proportionately increased or reduced effective as of the date of such expansion, contraction or relocation.

In the event of relocation, the County, at its option, will either directly pay for or reimburse Concessionaire for Concessionaire's "reasonable and proper moving costs", as determined by the County. For purposes hereof, "reasonable and proper moving costs" include moving of Trade Fixtures from the old space to the new space, moving and reinstallation of telephone lines and computer equipment and connections, and reasonable expenses associated with reinstalling electrical connections and other utilities. In addition, in the event of relocation, the County will reimburse Concessionaire for the remaining undepreciated portion of the costs of Concessionaire's Tenant Improvements that are not replaced or relocated by County, computed based on straight-line depreciation over a six (6) year life.

If a contraction occurs which causes the Leased Premises to no longer be commercially viable, as determined by the County in its sole judgment, and there is no

relocation, then the County will pay Concessionaire the remaining undepreciated portion of the costs of Concessionaire's Tenant Improvements, computed based on straight-line depreciation over a six (6) year life.

For the purpose of determining the undepreciated portion of the costs of Concessionaire's Tenant Improvements, original cost of the Tenant Improvements shall be based on the cost of construction statement provided to the County by Concessionaire as required in Section 3.28 K. hereof, verified by actual bills and receipts pertaining to original construction and improvements, subject to the approval in writing by County.

If the County exercises its right to delete or reduce the Concessionaire's Leased Premises, then the portion of the Leased Premises that is deleted or reduced shall cease to be leased to Concessionaire and shall no longer be subject to the terms of this Agreement.

In addition, if the County requires deletion or contraction of the Leased Premises, the County shall not be liable to Concessionaire for any damages including, but not limited to, damages for any inconvenience or loss of business as a result of the deletion or contraction of the Leased Premises.

2.02 Term

The Term of this Agreement shall commence on the Date of Beneficial Occupancy, and expire at the end of eighty four (84) full calendar months thereafter, unless sooner terminated pursuant to this Agreement.

2.03 Rent and Other Payment Obligations

Concessionaire shall pay Rent to the County in the amount and manner described below.

A. Time and Manner of Payment

Concessionaire shall pay County as Rent for the Term hereof the greater of:

1. A MAG, as set forth below; or
2. The sum of the Percentage Rent, as set forth below.

Throughout the Term hereof, Concessionaire shall pay all Rent required hereunder by first class mail, postage prepaid, payable to "County of Sacramento", at County's Airport Accounting Office, at the address shown for County in Section 2.07 hereof. The MAG payment will be delivered on or before the first (1st) Day of each calendar month and the Percentage Rent will be delivered no later than the fifteenth (15th) Day of the calendar month immediately following the month the Gross Revenue was generated.

B. Minimum Annual Guarantee

For the first Agreement Year of the Term of this Agreement, Concessionaire shall pay the MAG of XXXXXXXX Dollars and 00/100ths (\$XXX,000.00). Payment of the MAG shall commence upon the first (1st) Day of the month immediately following the month in which the construction is completed or XXXXX 01, 2014, whichever occurs first unless otherwise approved in writing by the Director. Concessionaire shall pay the MAG in twelve (12) equal monthly payments during each year, in advance, on or before the first (1st) Day of each full calendar month, without prior notice or demand.

In the event of the expiration or other termination of this Agreement on a date other than the completion of an Agreement Year, the MAG shall be prorated as appropriate based on three hundred sixty five (365) days in a year.

At the end of each Agreement Year, the MAG shall be subject to adjustment for each ensuing Agreement Year of the Term of the Agreement. Such adjustment will be calculated as follows: For the second Agreement Year, the MAG shall be set at eighty-five percent (85%) of the Rent for the first Agreement Year. Each ensuing Agreement Year's MAG shall be set at eighty-five percent (85%) of the preceding Agreement Year's

actual Rent due according to the terms of this Agreement. However, notwithstanding any of the above, in no event will the MAG for any Agreement Year of the Term of this Agreement be lower than the second Agreement Year's MAG.

C. Percentage Rent

Commencing on the Rental Commencement Date, Percentage Rent payable shall be equal to XX percent (XX%) on gross revenues up to XXX,XXX Dollars and 00/100ths (\$XXX,000.00); and XX percent (XX%) on gross revenues over XXX,XXX Dollars and 00/100ths (\$XXX,000.00) as defined in Section 1.14.

Percentage Rent shall be computed for each month of the Term and, except as stated in the following paragraph, on or before the fifteenth (15th) Day of the calendar month immediately following the month in which such Gross Revenues were generated at the Airport, Concessionaire shall submit a Monthly Report as required by Section 3.48 A. hereof, and pay to County the Percentage Rent in excess of the monthly payment of the prepaid MAG, if any is due.

In the event the Term commences on a Day other than the first Day of a calendar month, then Percentage Rent, but no MAG, shall apply for such month, and payment of the Percentage Rent for such month shall be due to County on or before the fifteenth (15th) Day of the following calendar month, along with a Monthly Report as required by Section 3.48 A. hereof.

D. Annual Reconciliation and Adjustment of Concession Fee

The Rent as set forth in this Section shall be subject to reconciliation at the end of each Agreement Year pursuant to the terms of this Agreement. If said reconciliation shows a balance due to County or an excess paid by Concessionaire, the appropriate adjustment, either payment by Concessionaire of the balance due or credit or repayment by County to Concessionaire of the excess payment, shall be made within thirty (30) Days after an approved Annual Report, as required in Section 3.48 C. hereof, is received by County. However, Concessionaire shall not be entitled to interest on the amount credited or repaid by County to Concessionaire.

2.04 Other Charges

A. Common Area Maintenance (CAM)

In addition to Rent, Concessionaire shall pay a CAM charge to the County in the amount of 0.3% of Gross Revenues for maintenance of common seating and back-of-house concession, break, and locker areas of Terminal A. The CAM charge is payable monthly with Concessionaire's Percentage Rent payment. In addition, Concessionaire agrees that from time to time, the County may need to increase Concessionaire's CAM charge based upon cost recovery calculations upon thirty (30) Days prior written notice to Concessionaire. However, at no time shall the CAM charge be more than 1.0% of Gross Revenues.

B. Merchant Association Program (MAP)

In addition to Rent, Concessionaire shall pay an annual MAP fee in the amount of 0.3% of Gross Revenues to market and promote the concessions at the Airport to the community and the traveling public. The MAP fee is payable monthly with Concessionaire's Percentage Rent payment; however, payment of the MAP fee shall not commence until July 1, 2015. In addition, Concessionaire agrees that from time to time, the County may need to increase Concessionaire's MAP fee and will do so upon thirty (30) Days written notice to Concessionaire based on cost recovery calculations. However, at no time shall the MAP fee be more than 0.6% of Gross Revenues.

C. Trash Collection Fee

Concessionaire shall dispose of all trash, refuse, debris, and recyclable material in containers approved by the County in assigned common areas. Concessionaire shall

not place, leave, or permit to be placed or left, in any part of the common areas, trash, refuse, debris, or recyclable material unless otherwise authorized by the County to do so. The County may, at any time, institute a trash and recyclable removal program and may therefore require the Concessionaire to pay a trash removal fee to be determined by the County based on cost recovery calculations, separate from CAM charges.

D. Support Space Charges

In the event Concessionaire leases Support Space, i.e., space used for office and/or storage purposes, in Terminal A from the County that is not a contiguous part of the Leased Premises used for sales to the public, Concessionaire shall pay a Support Space Charge for the lease of such space on a monthly prorated basis. The Support Space Charge shall be at a rate of Thirty Seven Dollars and 16/100ths (\$37.16) per square foot per annum. The Support Space Charge is subject to annual adjustments each November 1 during the Agreement Term based upon annual percentage increases in the Consumer Price Index for All Urban Consumers (CPI-U: Selected Areas, All Items Index (1982 - 1984 = 100)) for the San Francisco - Oakland - San Jose, CA area published by the Bureau of Labor Statistics of the U.S. Department of Labor (hereinafter referred to as "CPI-U") for the most recent twelve (12) month period for which such figures are available. The CPI-U for the first full calendar month of the Term of this Agreement will be used as the base month in determining the CPI-U adjustments. In the event the CPI-U is not published during the base month or any month of adjustment, then the CPI-U for the next succeeding month in which the CPI-U is published will be used in determining CPI-U adjustments. If the Bureau of Labor Statistics should cease to publish the Consumer Price Index in its present form, calculated upon its present basis, the parties agree to accept a comparable Index measuring costs of living increases for the closest metropolitan area to Sacramento, CA, published by an agency of the United States Government or by a recognized financial institution or economic periodical, as determined by the County.

2.05 Security Deposit

Within thirty (30) Days of the commencement date, Concessionaire shall provide a security deposit to the County established at twenty-five percent (25%) of the MAG for the first Agreement Year which said security deposit will be XXX,XXX Dollars and 00/100ths (\$XX,000.00). Within ninety (90) Days after the commencement of each Agreement Year thereafter throughout the Term of this Agreement, Concessionaire shall deliver a security deposit in an amount equal to twenty-five percent (25%) of the MAG for that Agreement Year. Security deposits shall be payable to the "County of Sacramento".

Said security deposit shall be in the form of a letter of credit or a performance bond obtained from a company that has an A.M. Best's rating of no less than A:VII or has been approved by the County. Said security deposit shall be provided at Concessionaire's sole cost and expense and will be adjusted annually pursuant to each Agreement Year's MAG. In lieu of such security deposit, Concessionaire may deposit with County, in a form acceptable to the County, an irrevocable letter of credit ("at sight" draft) from a bank acceptable to the County as security for faithful performance by Concessionaire as hereinabove provided.

Said security deposit shall be kept in full force throughout the Term of this Agreement to ensure the faithful performance by Concessionaire of all the covenants, terms and conditions of this Agreement, including the payment of all consideration provided herein.

Said security deposit shall continue to be retained by County as security for the timely performance by Concessionaire of each and every obligation of Concessionaire hereunder, and shall not be subject to the claim of any creditor of County or Concessionaire.

Within three (3) months following expiration or earlier termination of this Agreement, the amount of said security deposit, less any amounts due or owing to County by Concessionaire, shall be refunded/released by County to Concessionaire, provided, however, County shall have

no obligation whatsoever to pay any interest on the amount of said security deposit to Concessionaire.

Within fifteen (15) calendar Days following the application of said security deposit to correct any default by Concessionaire, or to pay any amount due or owing upon expiration or earlier termination of this Agreement, County shall provide Concessionaire with an accounting of such application.

2.06 Authorized Use

Subject to all applicable laws, regulations and limitations set forth in this Agreement, Concessionaire shall operate from the Leased Premises. Concessionaire is also granted the following use/rights in connection with Concessionaire's operation at the Airport listed below:

- a. If Concessionaire operates the Leased Premises under license or franchise agreement, Concessionaire shall provide the Director an executed copy of the license or franchise agreements within sixty days (60) of execution of this Agreement. All license and franchise agreements are subject to the Director's approval.
- b. Concessionaire shall have for its common use with other concessionaires, common use employee break room, locker, and restroom facilities in the Terminal A lower level generally shown on EXHIBIT B. The County shall maintain those common use areas of said lower level space; however, it shall be the Concessionaire's duty to inform the County as soon as any hazard, unsafe condition or problem(s) arise or exist within said lower level space. Concessionaire shall assist in the containment and/or security of said space. Further, Concessionaire agrees to be solely responsible for the safety of its own representatives, officers, agents, employees, invitees, licensees, Subtenants and any other persons doing business with Concessionaire who may be using the common areas.
- c. The right of ingress to and egress from the Leased Premises over and across roadways servicing the Airport for Concessionaire, its Subtenants, agents, patrons, guests and suppliers.
- d. The right to install appropriate Tenant Improvements on the Leased Premises, provided that all such design and installation shall have the prior written approval of the County.
- e. The nonexclusive right and privilege to offer the types of products listed in EXHIBIT C, which is attached hereto and incorporated herein, in accordance with the provisions of this Agreement. All products provided by Concessionaire must be approved in writing by the County prior to being offered for sale within the Leased Premises. In addition, the County, in its sole discretion, may change the approved product list upon written notice to Concessionaire. All products shall be in good taste and in accordance with all applicable health and service codes and presented in such manner as to be well received by the public. The County reserves the right to allow others to conduct the same or similar operations and/or to sell the same or similar products within Terminal B and elsewhere at the Airport.
- f. The right to use no more than ten percent (10%) of each retail location serving the public for storage and office purposes.

2.07 Notice Address and Facsimile

Notices required herein shall be in writing and served personally, sent by certified mail, return receipt requested, postage prepaid, overnight courier or facsimile. Any notice mailed pursuant to this Agreement, shall be deemed received by the addressee five (5) business Days after deposit of same in the mail. Either party shall have the right, by giving fifteen (15) Days written notice to the other, to change the addressee, address or facsimile number at which its notices are to be deemed received.

Until any such change is made, notices shall be addressed and delivered as follows:

County:

Sacramento County Department of
Airports
Properties and Business
Development
6900 Airport Boulevard
Sacramento, CA 95837-1109

Concessionaire:

If sent by facsimile, said notice shall be deemed received by the other party upon confirmation by facsimile machine provided that the following facsimile numbers are used:

County:

(916) 874-0920

Concessionaire:

(XXX) XXX-XXXX

If notice is given in any other manner or at any other place, it will also be given at the place and in the manner specified in this Section. All notices shall be effective upon receipt and shall be deemed received upon delivery, if personally delivered.

Unless otherwise notified by the County, payments and communications regarding billing and invoicing shall be directed to the following address and facsimile number:

Sacramento County Department of Airports
Airport Accounting
6900 Airport Boulevard
Sacramento, CA 95837-1109

Facsimile #: (916) 874-0766

2.08 Utilities

County and Concessionaire's utility responsibilities are detailed in EXHIBIT D which is attached hereto and incorporated herein by this reference.

2.09 Maintenance

County and Concessionaire's maintenance responsibilities are detailed in EXHIBIT E, which is attached hereto and incorporated herein by this reference.

ARTICLE 3

General Conditions

3.01 Acceptance of Leased Premises

Concessionaire hereby accepts the Leased Premises in its “as-is” condition existing on the commencement date and such area shall not be subject to recalculation. Taking possession of the Leased Premises by Concessionaire shall be conclusive evidence that the condition thereof is satisfactory to Concessionaire. County makes no expressed or implied representation or warranty of any kind whatsoever that the Leased Premises are suitable for the uses to which Concessionaire shall be restricted pursuant to this Agreement.

3.02 Accord and Satisfaction

No payment by Concessionaire or receipt by County of a lesser amount than the Rent, fees and/or charges due to be made by Concessionaire hereunder shall be deemed to be other than on account of the Rent, fees and/or charges due, and no endorsement or statement on any check or in any letter accompanying any check or payment as Rent, fees and/or charges shall be deemed an accord and satisfaction, and County may accept such check or payment without prejudice to County’s right to recover the balance of such Rent, fees and/or charges or to pursue any other remedy provided in this Agreement.

3.03 Additional Fees, Charges and Rentals

Concessionaire shall pay County additional fees, charges and rentals in the event of any of the following:

- a. If County has paid any sum or sums, or has incurred any obligation or expense, for which Concessionaire has agreed to pay or reimburse County, or for which Concessionaire is otherwise responsible;
- b. If County is required or elects to pay any sum or sums, or incurs any obligation or expense, because of the failure, neglect or refusal of Concessionaire to perform or fulfill any of the promises, terms, conditions or covenants required of it hereunder;
- c. Pursuant to any separate agreement between the parties not contained herein;
- d. To reimburse County for services rendered, such as, but not limited to, utilities, trash removal, telephone, delivery access charges and similar charges.

Concessionaire’s obligations pursuant to this Section shall include all interest, cost, damages, and penalties in conjunction with such sums so paid or expenses so incurred by County.

3.04 Airport Security

- a. Concessionaire shall comply with all security regulations at the Airport pursuant to all local, State and federal law, including, but not limited to, any and all directives issued by the County. If required, Concessionaire shall obtain an Airport Tenant Security Program (“ATSP”) document approved by TSA within sixty (60) Days of receipt of written notice from the County or as otherwise directed by TSA. If required, Concessionaire shall maintain any TSA-approved ATSP throughout the Term of this Agreement.

- b. Concessionaire's representatives, as determined by the County, must be able to pass a security background access investigation consisting of a fingerprint based criminal records check ("CHRC") and a Homeland Security "watch list" check (collectively, "Background Check"), as well as a security threat assessment ("STA"), which must be approved by TSA before an Airport ID badge will be issued. All of Concessionaire's employees, contractors, or other persons doing business with Concessionaire requiring unescorted access to the secured area of the Leased Premises will require a badge and are also subject to Background Check and STA. Badges are issued by the County subject to each individual's successful completion of the Background Check in compliance with 49 CFR Part 1542 and all other applicable regulatory directives.
- c. Concessionaire is responsible for completing and submitting all necessary documentation required for any Background Check necessary for their operations. If a badge is lost, stolen, or if the recipient fails to return the badge to the County when required by the County, Concessionaire shall be subject to a non-refundable reissuance fee, if applicable, and any other damages directly caused by the loss, theft or retention of the badge.
- d. If required, Concessionaire shall establish and implement written procedures (Security Procedures) acceptable to the County for the control of and prevention of unauthorized access to, all areas within the Leased Premises. Concessionaire's Security Procedures shall also incorporate activities designed to assist the County in safeguarding all other secured areas of Airport. The Security Procedures shall include, but are not limited to, the following procedures:
1. Gates, doors, fences or other parts of the Leased Premises shall be kept locked by Concessionaire at all times when not in use by or when not under the security surveillance of Concessionaire.
 2. Lock malfunctions or other deficiencies, which would permit unauthorized access, shall be reported by Concessionaire at once to the County, and the unsecured access point shall be maintained under constant security surveillance by Concessionaire until Concessionaire has repaired the same and security through such point has been restored, and/or the County assumes security and repair of the access point.
 3. Loss, misplacement, theft or failure to comply with the return of any badge shall be immediately reported to the County.
- e. Concessionaire shall be solely responsible for the control and movement of persons who are representatives of Concessionaire and that have a valid ID badge moving from the Leased Premises onto all secured areas of the Airport. These badged representatives will comply with Airport security standards required to obtain the badge. Concessionaire shall be solely responsible for the payment of any and all penalties and fines which may be levied by the TSA or other local, State or federal agencies for violation of any security regulations arising from or relating to Concessionaire's failure to perform its security responsibilities.
- f. If required, Concessionaire shall install, maintain and operate, at no cost to County, access prevention and surveillance devices on the Leased Premises at access points to secured areas and along the secured perimeter of the Leased Premises, as determined by the County to be necessary for the safety or security of Airport. The County shall have unrestricted access to all access control devices or systems developed by Concessionaire.

3.05 Amendment Required by FAA or TSA

This Agreement may be amended without further consideration for the purpose of satisfying FAA or TSA requirements.

3.06 Applicable Law

This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, and shall be deemed to have been made, and shall be performed, in the State of California.

3.07 Assignment and Subletting

Concessionaire shall have no right to assign, mortgage, pledge, or otherwise transfer this Agreement, either voluntarily or by operation of law, in whole or in part, without the prior written approval of the County. Likewise, Concessionaire shall not subcontract any rights authorized hereunder or sublease any or all of the Leased Premises without the prior written approval of the County.

3.08 Assurances Required by FAA

Concessionaire will, at all times during this Agreement, comply with the provisions of the "Assurances required by the Federal Aviation Administration" and any subsequent amendments. A copy of these Assurances is attached as EXHIBIT F and incorporated herein by this reference.

3.09 Audit

A. Concessionaire's Audit

Concessionaire shall employ an independent Certified Public Accountant (CPA) at Concessionaire's cost, to perform an audit of the books and records of Concessionaire, as they pertain to this Agreement, for each Agreement Year, or applicable portion thereof. Such audit shall be in a format and in detail satisfactory to the County and shall include all of the following:

1. An audited statement of Gross Revenues shall be submitted to the County Airport System Accounting Office by no later than sixty (60) Days following the last Day of every Agreement Year. Such audit shall be conducted by an independent CPA, and include all business transacted at the Airport under the terms of this Agreement by Concessionaire during the preceding Agreement Year, and excluding any other business transacted by Concessionaire.
2. A written statement, by such CPA, to the County stating that in the CPA's opinion, the Rent and other required fees paid by Concessionaire to the County for the preceding Agreement Year were paid in accordance with the terms of this Agreement.
3. Copies of any reports prepared by such CPA or by Concessionaire's internal audit staff for Concessionaire relating exclusively to this Agreement, and specifically describing any strengths or weaknesses of internal fiscal controls.
4. A management letter prepared by such CPA for Concessionaire relating exclusively to this Agreement, and specifically describing Concessionaire's internal accounting controls as they relate to cash handling, processing of receipts and security of cash at the Airport, based on examination and testing of such controls by such CPA, including a control analysis of the strengths and weaknesses of such controls.

In the event that the results of any such audit show any discrepancy as compared to the amount of Concessionaire's Gross Revenues at Airport, as reported to County by Concessionaire, Concessionaire shall pay County the difference in Rent payments or County shall reimburse Concessionaire, as the case may be, within thirty (30) calendar Days following discovery of such discrepancy.

If Concessionaire fails to perform its obligations under this section, after thirty (30) Days notice by the County, the County may employ an independent CPA to perform

the required audit and, in addition to any difference in Rent due the County from such audit, County shall recover the entire cost of such audit, plus a fifteen percent (15%) administrative charge of the cost of such audit from Concessionaire.

B. County Audit

Concessionaire shall, upon request, make all or any part of its records pertaining to this Agreement available to the County, or any other authorized representative of County during normal business hours throughout the Term of this Agreement, for the purposes of inspection, copying, or audit. Except as otherwise expressly provided herein, the cost of such inspection, copying or audit shall be borne by County.

In the event that the results of any such audit by County show any discrepancy as compared to the amount of Concessionaire's Gross Revenues at the Airport, as reported to County by Concessionaire, Concessionaire shall pay the County the difference in Rent payments or County shall reimburse Concessionaire, as the case may be, within thirty (30) calendar Days following discovery of such discrepancy.

In the event that any such discrepancy exceeds the amount of such Gross Revenues reported by Concessionaire to County by more than two percent (2%), Concessionaire shall reimburse County for all of County's costs in connection with such audit, plus a fifteen percent (15%) administrative charge of the cost of such audit.

3.10 Authority of the Director

The Director shall administer this Agreement on behalf of County. Unless otherwise provided herein or required by applicable law, the Director shall be vested with all rights, powers, and duties of County hereunder. With respect to matters hereunder subject to the approval, satisfaction, or discretion of County or the Director, the decision of the Director in such matters shall be final.

3.11 Compliance with Child, Family, and Spousal Support Reporting Obligations

Concessionaire's failure to comply with State and federal child, family and spousal support reporting requirements regarding a Concessionaire's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family and spousal support obligations shall constitute a default under this Agreement.

Concessionaire's failure to cure such default within ninety (90) Days of notice by County shall be grounds for termination of this Agreement.

3.12 Concessionaire Indemnification of County

Concessionaire shall indemnify, defend, and hold harmless County, its elected representatives, officers, agents, and employees from any and all loss, cost, damage, fine or expense (including but not limited to attorney's fees, court costs and expert fees), or liability of any kind or character to any person or property arising from or relating to any act or omission of Concessionaire, its officers, agents, employees, invitees, licensees, customers, Subtenants contractors, subcontractors, or any other person doing business with Concessionaire, or on the Leased Premises or at the Airport with the consent of Concessionaire. Concessionaire shall also use counsel reasonably acceptable to County in carrying out its obligations hereunder. The provisions of this Section shall survive the expiration or early termination of this Agreement.

3.13 Conflicts Between Concessionaires

In the event of a conflict between Concessionaire and any other concessionaire as to the services provided and goods sold by respective concessionaires at the Airport, the County shall decide which goods may be provided/sold by each concessionaire and Concessionaire agrees to be bound by such decision, and shall not be entitled to any compensation or damages as a result of such decision.

3.14 Consent

Whenever the consent or approval of either party hereto is required or authorized hereunder, such consent or approval shall not be unreasonably withheld, unreasonably conditioned, or unreasonably delayed.

3.15 County's Remedies

Pursuant to Section 1951.2 of the California Civil Code:

A. In the event that Concessionaire breaches this Agreement and abandons the Leased Premises before the end of the Term hereof, or if Concessionaire's right to possession is terminated by County because of a breach of this Agreement, this Agreement terminates. Upon such termination, the County may recover from Concessionaire:

1. Any and all of the unpaid Rent which had been earned at the time of termination;
2. The amount by which unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Concessionaire proves could have been reasonably avoided;
3. The amount by which the unpaid Rent for the balance of the Term hereof after the time of award exceeds the amount of such Rent loss that Concessionaire proves could reasonably be avoided; and
4. Any other amount necessary to compensate the County for all the detriment proximately caused by Concessionaire's failure to perform its obligations under this Agreement, or which in the ordinary course of things would be likely to result therefrom.

B. The amounts referred to in Subsections A. 1. and A. 2. are computed by allowing interest at the rate of eighteen percent (18%). The amount referred to in Subsection A. 3. is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

C. Damages which County may recover pursuant to Subsection A. 3. of this Section include the "worth at the time of award" of the amount by which the unpaid Rent for the balance of the Term hereof exceeds the amount of such Rent loss for the same period that Concessionaire proves could be reasonably avoided; or County may recover damages pursuant to Subsection A. 3. of this Section in the event that County re-lets the Leased Premises prior to the time of award and proves that in re-letting the property it acted reasonably and in a good-faith effort to mitigate the damages.

D. Efforts by County to mitigate the damages caused by Concessionaire's breach of this Agreement do not waive County's right to recover damages pursuant to said Section 1951.2 and this Section.

E. Nothing in this Section affects the right of County under this Agreement to indemnification for liability arising prior to the termination of this Agreement for personal injuries or property damage, as herein provided.

Notwithstanding the foregoing, in the event of Concessionaire's breach of this Agreement and abandonment of the Leased Premises, pursuant to Section 1951.4 of the California Civil Code, County may, at its sole option, elect to continue this Agreement and enforce all its rights and remedies herein against Concessionaire, including the right to recover the Rent as it becomes due.

3.16 County’s Right to Perform Concessionaire’s Obligations

If Concessionaire fails to make any payment required of it hereunder, or defaults in the performance of any other promise, term, covenant, or condition required of it hereunder, County, at its sole option, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default, for the account of and at the expense of Concessionaire. County may do so immediately and without notice to Concessionaire in the case of an emergency or in any other case if Concessionaire fails to make such payment or remedy such default with all reasonable dispatch after County has notified Concessionaire in writing of the same.

County shall bill Concessionaire for such payments made by County and for any and all expenses incurred by County in connection therewith, together with interest on the total sum billed, at the rate of eighteen percent (18%) per annum. Concessionaire shall pay County the total amount billed not later than the date specified in such billing.

County shall not be limited in the proof of any damages which County may claim against Concessionaire arising out of or relating to Concessionaire’s failure to perform its obligations hereunder. County may restrain any breach or threatened breach by Concessionaire of any promise, term, condition or covenant required of Concessionaire hereunder, but the mention herein of any particular remedy shall not preclude County from any other remedy it might have, either in law or in equity.

3.17 Credit Cards and Debit Cards

At all times during the term of this Agreement, Concessionaire shall accept as payment for goods and services at least all of the following major credit cards: American Express, MasterCard, and VISA. Concessionaire shall also accept traveler’s checks and debit cards for any purchase. No minimum credit card or debit card purchase amount shall be established by Concessionaire, without the prior written approval of the Director.

3.18 Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

3.19 Damage or Destruction of Leased Premises

A. Restoration of Tenant Improvements, Trade Fixtures or Personal Property

In the event of the damage or destruction of a portion of the Leased Premises, or of the structural portion of the terminal building containing such Leased Premises, County shall not be required to repair, rebuild, or restore Tenant Improvements and Trade Fixtures, such excluded items being the sole responsibility of Concessionaire.

If County elects to repair and rebuild structural portions of the terminal building containing the Leased Premises, Concessionaire shall be obligated to repair any damage to, or replace, any Tenant Improvements and Trade Fixtures, made or installed by Concessionaire, irrespective of the cause and whether or not such damage or destruction shall have been insured. Concessionaire shall proceed to restore, repair, replace such Tenant Improvements and Trade Fixtures with materials of a quality equivalent to that originally installed, at Concessionaire’s own cost and expense. Concessionaire shall be required to use any loss proceeds received, to repair or replace any Tenant Improvements and Trade Fixtures of Concessionaire unless otherwise approved by the County. Such restoration, repair and replacement shall be performed by Concessionaire in accordance with the provisions of Section 3.28 hereof.

B. Removal of Damaged Property

In the event of damage to, or partial or total destruction of, the Leased Premises, the Concessionaire shall within thirty (30) Days of the occurrence commence to remove

from the Leased Premises, or from the portion thereof destroyed, all damaged property (and all debris thereof) belonging to the Concessionaire or to any third person whatsoever. Concessionaire shall diligently continue such removal until complete. In the event Concessionaire does not perform its obligation hereunder, the County may remove such debris and dispose of the same and may remove such property to a public warehouse for deposit or may retain the same in its own possession and sell the same at public auction, the proceeds of which may be applied first to the expenses of removal, storage and sale, and second to any sums owed by the Concessionaire to the County, with any balance remaining to be paid to the Concessionaire; if the expenses of such removal, storage and sales shall exceed the proceeds of sale, the Concessionaire shall pay such excess to the County upon demand. Without limiting any term or provision of this Agreement, the Concessionaire shall indemnify and save harmless the County, its officers, representatives, employees, contractors and subcontractors, from and against any and all claims of third persons arising out of the exercise of the County of its right to remove property as hereinabove provided including all claims for conversion, all claims for damage or destruction of property, all claims for injuries to persons (including death), and all other claims for damages, consequential or otherwise.

C. Option to Terminate Concessionaire's Interest Upon Damage or Destruction

If: (1) the terminal containing the Leased Premises shall be damaged to the extent of more than twenty-five percent (25%) of the cost of repair or replacement thereof, or (2) the proceeds of County's insurance recovered or recoverable as a result of the damage shall be insufficient to pay fully for the cost of repair or replacement of the terminal in which the Leased Premises is located, or (3) the terminal containing the Leased Premises shall be damaged as a result of a risk which is not covered by the County's insurance, or (4) the terminal containing the Leased Premises shall be damaged in whole or in part during the last three (3) years of the Term of this Agreement; then in any such event, County may, at County's option, either (a) rebuild or repair such damage, exclusive of Concessionaire's Tenant Improvements and Trade Fixtures with due diligence or (b) give written notice to Concessionaire within sixty (60) Days after the occurrence of such damage terminating Concessionaire's rights and interest in the Leased Premises contained in such damaged building as of the date of occurrence of such damage; provided that if any damage or destruction of the terminal or of the Leased Premises is caused by any act or omission of Concessionaire, its agents, employees, or others on or at the Leased Premises with the consent of the Concessionaire, then Concessionaire shall be responsible for reconstructing and repairing said terminal or Leased Premises with due diligence and shall pay the cost.

In the event County elects to terminate Concessionaire's right and interest in the Leased Premises pursuant hereto, Concessionaire shall have the right within ten (10) Days after receipt of the required notice to notify County in writing of Concessionaire's intention to repair such damage or destruction at Concessionaire's expense, without reimbursement from County in which event this Agreement shall remain in effect and Concessionaire shall proceed to make such repairs or reconstruction with due diligence, according to the requirements of Section 3.28. If Concessionaire does not give such notice within the ten (10) Day period, Concessionaire's right and interest in the Leased Premises will terminate as of the date of such damage or destruction.

If County elects to terminate Concessionaire's right and interest in the Leased Premises as provided in this Section C, then any insurance of said Leased Premises shall be paid to County and Concessionaire as their interests appear.

D. Adjustment of Rent

The Rent payable under this Agreement shall be equitably adjusted for the period from the occurrence of any damage to the structural portion of the terminal containing the Leased Premises to the completion of repairs to such building, or for the period from the occurrence of the damage to the effective date of termination, provided

such damage materially adversely affects the efficient operation of the concession; except that Concessionaire shall not be entitled to any adjustment of the Rent if any damage shall have been caused or contributed by the fault of the Concessionaire, its officers, employees or others on or at the Leased Premises with the consent of the Concessionaire.

3.20 Delivery of Merchandise

Concessionaire shall arrange for the timely delivery of all retail merchandise and other items necessary for Concessionaire's operations authorized under this Agreement at such times, in such location(s) and in a manner satisfactory to the County. The County may, as needed, issue terminal delivery procedures that best allows for the safe movement of vehicles at the Airport. The County may, as needed, issue schedules of acceptable delivery times, and the delivery location/point of access, vehicle size restrictions as warranted by written notice to Concessionaire, which the County may adjust from time to time, and from which Concessionaire shall not deviate without the County's prior written consent.

Concessionaire shall use its best efforts to complete, or cause to be completed, all deliveries, loading, unloading, and services to the Leased Premises during such times as the County may reasonably require from time to time. Concessionaire shall not allow delivery trucks or other vehicles servicing the Leased Premises to park or stand in front of, or at the rear of Terminal B, except in otherwise designated areas or such other areas at the Airport as the County may reasonably require.

Requirements for security screening of employees and goods are established by the Department of Homeland Security and may be changed from time to time. Concessionaires shall be responsible for complying with existing and any future requirements as well as any associated costs.

3.21 Entire Agreement

This Agreement, together with all exhibits attached hereto, constitutes the entire Agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein. This Agreement may be amended only by written instrument duly executed by the parties hereto.

3.22 Early Termination by Concessionaire

At any time Concessionaire is not in default in its payments or other obligations to County hereunder, Concessionaire may terminate this Agreement prior to expiration of the Term hereof only upon the happening of one or more of the following events:

- a. Permanent abandonment of Airport by County;
- b. Assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of Airport, or any substantial part thereof, in such manner as to substantially restrict Concessionaire in its operations hereunder for a period of ninety (90) consecutive calendar Days;
- c. Issuance by a court of competent jurisdiction of a permanent injunction which in any way prevents or restrains use of Airport in a manner substantially restricting Concessionaire's operations at the Airport hereunder;
- d. Default by County in the performance of any promise, term, condition or covenant required of it to be performed hereunder, provided County fails to cure such default within sixty (60) calendar Days following receipt of written notice of such default from Concessionaire. However, if the nature of such default is such that it cannot reasonably be cured within such period, County shall be deemed to have cured such default if within such period County commences performance thereof and thereafter diligently prosecutes the same to completion.

Early termination by Concessionaire pursuant to this Section shall be upon not less than fifteen (15) Days advance written notice to the County, which notice shall state the basis of such termination and the effective date thereof.

In the event of early termination by Concessionaire pursuant to this Section, Concessionaire shall pay Rent to County to and through the date of such termination.

In the event of early termination by Concessionaire in accordance with item d. of this Section, County shall pay Concessionaire the remaining undepreciated portion of Concessionaire's County-approved Tenant Improvements, computed based on straight-line depreciation over a seven (7) year life for in-line locations (five (5) years for kiosk locations) commencing with the start of the first Agreement Year hereof. For the purpose of determining the undepreciated portion of the costs of Concessionaire's Tenant Improvements, original cost of the Tenant Improvements shall be based on the cost of construction statement provided to the County by Concessionaire as required in Section 3.28 K. hereof, verified by actual bills and receipts pertaining to original construction and improvements, subject to the approval in writing by County.

3.23 Early Termination by County

County may terminate this Agreement prior to expiration of the Term hereof upon the happening of one or more of the following events:

- a. Concessionaire remains in arrears in any payment of Rent or fees required by this Agreement for a period of at least fifteen (15) Days following receipt of written notice of such arrearage from County;
- b. Concessionaire makes a general assignment for the benefit of its creditors;
- c. Concessionaire files a voluntary petition, or becomes the subject of an involuntary petition, in any proceeding in Bankruptcy Court;
- d. Concessionaire abandons all or any portion of the Leased Premises;
- e. Concessionaire fails to replace any improvements, that it is required to replace pursuant to this Agreement, which have been damaged or destroyed by fire, explosion or other catastrophe, within six (6) months from the date of such damage or destruction;
- f. Concessionaire fails to maintain any of the forms and amounts of insurance required by EXHIBIT G, attached hereto and incorporated herein by this reference. The County may, in its sole discretion, immediately terminate this Agreement if Concessionaire fails to maintain the required insurance.
- g. Except as otherwise provided in Subsections a., e. and f. of this Section, Section 3.11, Section 3.31 and EXHIBIT H (Performance Standards), the default by Concessionaire in performance of any promise, term, condition, or covenant required of it hereunder, provided Concessionaire fails to cure such default within thirty (30) calendar Days following receipt of written notice of such default from County. However, if the nature of such default is such that it cannot reasonably be cured within such period, Concessionaire shall be deemed to have cured such default if within such period Concessionaire commences performance thereof and thereafter diligently prosecutes the same to completion.

Early termination by County pursuant to this Section shall be upon not less than fifteen (15) Days advance written notice to Concessionaire, which notice shall state the basis of such termination and the effective date thereof. Upon the effective date of such termination, County may take possession of the Leased Premises, without further notice or demand to Concessionaire. Failure to serve notice of termination upon the happening of any of the events described in this Section shall not operate to bar or destroy County's right to thereafter declare such termination upon the subsequent happening of any such event.

3.24 Force Majeure

Neither County nor Concessionaire shall be deemed to be in breach of this Agreement if either is prevented from performing any of its obligations hereunder by reason of strike, boycott, labor dispute, embargo, shortage of energy or materials, act of God, act of a public enemy, act

of a superior governmental authority, weather conditions, rebellion, riot, sabotage, or any other circumstance for which it is not responsible, or which is not within its control.

3.25 Hazardous Materials

A. Concessionaire's Compliance with Environmental Laws

Concessionaire shall at all times in all respects comply with all environmental laws, and any amendments thereto affecting Concessionaire's operation on the Airport, including all federal, State and local laws, ordinances and regulations relating to Hazardous Material. As used herein, the term "Hazardous Material" includes, without limitation, any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States government.

B. Hazardous Material Storage Permit

Concessionaire shall be required to obtain a Hazardous Material Storage Permit from the County of Sacramento, Environmental Management Office, if at any time Concessionaire places or stores Hazardous Material liquid or Hazardous Material solids on the Airport.

3.26 Headings

The headings of the articles and sections of this Agreement are inserted only as a matter of convenience and for reference, and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

3.27 Holding Over

If Concessionaire remains in possession of the Leased Premises following the expiration or sooner termination of this Agreement, such holding over shall not be deemed to constitute an extension or renewal of this Agreement, but shall merely create a tenancy from month-to-month which either party hereto may terminate upon thirty (30) calendar Days advance notice to the other. In the event of such holding over, Concessionaire shall perform all terms, promises, conditions and covenants required of it hereunder, but shall pay Rent to County in such amounts as may be designated by the County, which in no case shall be less than that in effect immediately prior to such expiration or sooner termination of this Agreement.

3.28 Improvements by Concessionaire

Concessionaire shall, at its sole cost and expense, construction of a retail concession construction project as described herein and throughout this Agreement (hereafter "Project"), in accordance with the Airport Tenant Design Manual as shown in EXHIBIT I, which is attached hereto and incorporated by reference herein. The Project shall include all Tenant Improvements and Trade Fixtures, Signs, and any additional items necessary to the operation.

Except as otherwise provided herein, Concessionaire shall make and maintain, at Concessionaire's own expense, all Tenant Improvements necessary to operate Concessionaire's retail facilities, including, but not limited to, counters, display cabinets, interior partitions, lighting, fixtures, wall and ceiling finishes, flooring and floor coverings, and all other equipment necessary for the proper conduct of Concessionaire's business. Concessionaire shall supply all Trade Fixtures. All Trade Fixtures contained within the Leased Premises must be of first-class quality, safe, fire resistant, attractive, in compliance with the Airport Tenant Design Manual, and may be installed only with the County's prior written approval.

The Project and any future projects shall be constructed in accordance with this Agreement, the Airport Tenant Design Manual as shown on EXHIBIT I, and all applicable laws, regulations, and permit requirements, including those of the County.

Any review or approval by the County of Concessionaire's plans or an inspection by County of the Project work or materials shall not be deemed to constitute a waiver or release by County of any obligation or responsibility of Concessionaire hereunder, or an assumption of any risk or liability by County with respect thereto, and Concessionaire shall make no claim against County on account of such review, approval, or inspection.

Concessionaire shall cause all improvements authorized herein to be constructed only by a contractor properly licensed by the State of California to construct such improvements.

Concessionaire shall be solely responsible for payment to such contractor for all elements of such construction, and shall keep the Leased Premises free and clear of all mechanics liens resulting from any construction thereto by or on behalf of Concessionaire. Concessionaire may contest the correctness or validity of any such lien, but shall indemnify, defend, and hold harmless County, its elected representatives, officers, agents, and employees, and the Leased Premises from any and all claims and liability for payment of any such lien. County may file notice of non-responsibility for its lien protection.

A. General

No improvements, alterations or repairs of any kind shall be erected, placed, assembled, constructed or permitted on the Leased Premises without first obtaining written authorization from the County. In the sole opinion of the County, if the proposed improvement, alteration or repair project is of a minor nature, the project may be reviewed and approved solely by the Director. The County, at its sole discretion, based on the nature of the proposed improvement, alteration or repair project may waive one or more of the procedures as set forth in this Section herein. Notice of such waiver shall be in writing. In the absence of such written waiver, Concessionaire must follow the procedures as set forth herein.

B. Preliminary Plans

Prior to the preparation of preliminary plans, Concessionaire shall contact the Airport Coordinator to schedule a pre-Project meeting to brief County staff on the proposed improvement. Preliminary plans shall show the full extent of the improvements to be constructed including structural details and utility locations showing the relationship of the proposed improvements to current building and utility connections. A minimum of seven (7) full sets of preliminary plans plus one (1) Compact disc (CD) containing a pdf, dwf, or tiff set matching the prints, plus all the CAD related data used to create the plans in AutoCAD's "dwg" format, shall be submitted for approval to the Airport Coordinator.

Civil engineering plans shall include plan drawings submitted on a scale not smaller than one (1) inch equals fifty (50) feet. Architectural plans shall include plan drawings at a suitable scale but in no case shall the scale be smaller than 1/16 inch equals one (1) foot. Plans shall include complete specifications in sufficient detail for the County to determine compatibility with County objectives for the overall aesthetic character and quality of the improvements. Architectural Projects shall include an accurate architectural perspective color rendering including the proposed exterior color, scheme, style, materials, wording and placement of all Signs.

C. Review of and Comment on Preliminary Plans

Within thirty (30) Days of the date of receipt of the preliminary plans, the County will return two (2) sets of plans with comments. County review and comment on the preliminary plans does not mean or infer that the proposed improvement has been approved by the County. Additional plans, specifications or design features beyond those submitted with the preliminary plans may be required and shall be prepared by Concessionaire at the request of the County.

D. Final Plans

A minimum of seven (7) copies of final plans and specifications showing responses to comments received and setting forth in all necessary detail the requirements for construction of the Project shall be submitted to the County Airport System for approval prior to submitting plans to other applicable agencies so that the County Airport System may check them for design conformance with the preliminary plans. A CD containing a pdf, dwf, or tiff set matching the prints, plus all the CAD related data used to create the plans in AutoCAD's "dwg" format must be included in the submittal.

E. Approval of Final Plans

Within thirty (30) Days of the date of receipt of the final plans, if final plans are approved, the County Airport System will return final plans to Concessionaire with the County Airport System approval stamp on the plans. The County Airport System will retain one (1) full set of final plans. The County Airport System approval of the final plans shall only mean that the proposed improvement is consistent with the County Airport System's goals and objectives for Airport development projects and does not infer that the proposed improvement is approved by the County of Sacramento Municipal Services Agency. After approval of the final plans by the County Airport System, Concessionaire has full responsibility for obtaining all required federal, State and local approvals and permits including compliance with California Environmental Quality Act (CEQA) requirements.

F. Modification of Final Plans

Any modifications to the approved final plans including environmental mitigation measures, modifications imposed by the County of Sacramento Municipal Services Agency, or construction change orders shall be submitted to the County Airport System for approval prior to construction.

G. Notice of Completion

Within ten (10) Days of construction completion, Concessionaire shall submit a Notice of Completion to the County Airport System. Within ten (10) Days of receipt of Notice of Completion, the County may schedule an inspection of the improvements to be accompanied by Concessionaire for purposes of confirming compliance with the final plans and any subsequent modifications to the final plans. This inspection tour may be scheduled at the same time Concessionaire schedules a final inspection in accordance with any requirements imposed by the County of Sacramento Municipal Services Agency.

H. As-Constructed/Record Drawings

Within sixty (60) Days after filing a Notice of Completion, which is due within ten (10) Days after construction completion, Concessionaire shall furnish to the County one (1) complete set of electronic AutoCAD format Record Drawings and one (1) complete set of either pdf, dwf, or tif files showing the "as-constructed" improvements. Record Drawings shall be dated and stamped by the engineer or architect of record. If by the eleventh (11th) day after construction has been completed Concessionaire fails to submit "as-constructed" drawings, Concessionaire will pay penalties in the amount of one hundred dollars (\$100.00) per day until such a time when drawings have been submitted.

I. Removal of Unapproved Improvements

Improvements made on Concessionaire's Leased Premises without the approval of final plans for said improvements as outlined herein are hereby determined to be unapproved improvements constructed or installed in violation of the conditions, restrictions and requirements of this Agreement. Unapproved improvements shall be

immediately removed at Concessionaire's sole expense, unless otherwise approved in writing by the County. Portions of improvements that are not constructed as indicated and specified on approved plans are also hereby determined to be unapproved improvements and shall be immediately removed or corrected at Concessionaire's sole expense.

J. Liquidated Damages for Failure to Timely Complete the Project

It is imperative that Concessionaire is open for business at all of its concession locations and that the Project is completed by XXXXXX, 2014 in order serve the traveling public. Therefore, it is agreed that as liquidated damages for failure to complete the Project, Concessionaire agrees to pay to the County the amount of Five Hundred Dollars and 00/100ths (\$500.00) per Day per concession location until the Project is complete. This amount shall be in addition to all Rent and other charges and fees due.

K. Certification of Facility Build-Out Investment

Concessionaire shall provide the County with verifiable receipts and certified lien releases for its minimum total cost of the Project within ninety (90) Days of the completion of the construction/refurbishment/removal to confirm the amount of the investments.

L. Title to Tenant Improvements

Concessionaire shall retain title to its Tenant Improvements in, at or serving the Leased Premises for so long as such Leased Premises are leased to Concessionaire under this Agreement. Thereafter, the County, at its option, reserves the right to take immediate title to some or all of such Tenant Improvements at no cost or expense. Those Tenant Improvements to which the County does not take title must be removed expeditiously by Concessionaire and, any damage caused by the removal of such Tenant Improvements must be repaired by the Concessionaire at no cost to the County, unless otherwise agreed to in writing by the County.

3.29 Improvements by County

The County and Concessionaire agree and acknowledge that, from time to time, the County may undertake improvements to the terminals during the Term of this Agreement. The County will attempt to make those improvements in a manner that does not interfere unreasonably with the operations of Concessionaire authorized under this Agreement. Concessionaire expressly waives any and all claims for damages of any kind, including but not limited to, loss of profits as a result of the interruption of business of Concessionaire that may arise as a result of such improvements undertaken by the County.

3.30 Independent Contractor

Concessionaire is not an employee or agent of County by reason of this Agreement, or otherwise. Concessionaire is an independent contractor, and as between County and Concessionaire, Concessionaire shall be solely responsible for its acts and omissions arising from or relating to its operations at the Airport and lease of property hereunder.

3.31 Insurance

Throughout the term of this Agreement, Concessionaire for itself and its officers, representatives, agents, employees, Subtenants, guests, patrons, contractors, subcontractors, licensees, invitees, and suppliers shall maintain in full force and effect the forms and amounts of insurance specified in EXHIBIT G, which is attached hereto and incorporated by reference herein.

In the event Concessionaire does not have the required certificate(s) of insurance and/or binder(s) evidencing the proper insurance coverage, or the required insurance coverage

lapses, this Agreement shall be terminated at County's option by the County giving written notice to Concessionaire.

3.32 Invalid Provisions

In the event any covenant, condition or provision of this Agreement, or the application thereof to any person, entity, or circumstances, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person, entity, or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated, provided that such invalidity, voiding or unenforceability of such covenant, condition or provision does not materially prejudice either party in its respective rights and obligations contained in the then remaining valid covenants, conditions or provisions of this Agreement.

3.33 Licenses and Permits

Concessionaire shall obtain at its sole expense all necessary licenses and permits required for construction of improvements or installation of equipment on the Leased Premises, and any other licenses or permits necessary for the conduct of Concessionaire's operations at the Airport.

3.34 Limitations on Use of Leased Premises

In connection with the exercise of Concessionaire's rights and duties under this Agreement, Concessionaire and any of its officers, representatives, agents, employees, Subtenants, guests, patrons, contractors, subcontractors, licensees, invitees, or suppliers shall not:

- a. Interfere with, or disturb the effectiveness or accessibility of the drainage and sewage system, electrical system, air conditioning system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses within the Airport;
- b. Do anything that may invalidate, conflict with, or increase the rate of any insurance policy(s) covering the County or any part thereof. The County, in its sole discretion, may limit, modify, or require removal of any materials, parts or equipment which the County reasonably determines are not incidental to Concessionaire's operations by written notification to Concessionaire. Concessionaire shall have forty-eight (48) hours from the mailing date of such notice to remove and properly dispose of any items identified;
- c. Interfere with the County staff, businesses, or patrons;
- d. Use or allow the use of the facilities within the Airport for any improper, immoral, or unlawful purpose;
- e. Obstruct the roadways or passageways adjacent to or within the Airport;
- f. Conduct any business within the Airport other than that authorized by this Agreement;
- g. Advertise, solicit, or distribute materials within the Airport in any manner without the advance written permission of the County.

3.35 Liquidated Damages from Late Payments

If Concessionaire is in arrears for seven (7) Days or more following the due date of any amount payable to the County herein, the parties acknowledge that additional clerical, accounting and other work will be performed which would not otherwise be needed absent the late payment. In addition, because the actual charges as a result of the late payment are difficult to identify, the parties hereby agree that Concessionaire shall pay as a reasonable charge, liquidated damages for the late payment in the amount of eighteen percent (18%) annual percentage rate, applicable from the date such payment was due to the date of actual payment. If the maximum charge permitted by law is less than the foregoing amount, then the

rate shall be such amount determined to be the maximum legal amount. These liquidated damages will be calculated and posted on a monthly basis, and shall be prorated by the number of Days payments are in arrears in the month.

3.36 *Merchandise and Services Pricing Policy*

Concessionaire shall comply with Merchandise and Services Pricing Policy as shown on EXHIBIT J, attached hereto and incorporated herein by this reference. The County may, throughout the Term of this Agreement, amend the Merchandise and Services Pricing Policy with prior written notice. The County shall provide Concessionaire with the amended Merchandise and Services Pricing Policy and written notice of the effective date of any such amended Merchandise and Services Pricing Policy at least thirty (30) Days prior to the effective date.

3.37 *Negation of Partnership*

Nothing in this Agreement shall be construed to render County in any way or for any purpose, a partner, joint venturer, or associate in any relationship with Concessionaire other than that of landlord and tenant, nor shall this Agreement be construed to authorize either County or Concessionaire to act as agent for the other.

3.38 *Net Lease*

Except as otherwise provided by EXHIBIT E herein, it is the intent and purpose of County and Concessionaire that all Rent payable by Concessionaire hereunder shall be absolutely net to the County so that this Agreement shall yield to the County the entire Rent herein specified free of any charges, assessments, impositions or deductions of any kind or character which may be charged, assessed, or imposed on or against Concessionaire or the Leased Premises, without abatement, deduction or set-off by Concessionaire.

County shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder with respect thereto. All loss, costs, expenses and obligations of any kind relating to the maintenance, development and improvement of the Leased Premises, including the renovation of the building and other improvements thereupon, and all alterations, repairs, reconstruction and replacements as hereinafter provided which may arise or become due during the Term hereof, shall be paid by Concessionaire and Concessionaire shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from any and all such loss, costs, expenses and obligations.

3.39 *Nonexclusive Rights*

Nothing herein shall be construed to grant or authorize the granting of any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport. Provided, however, subject to the terms and provisions of this Agreement, Concessionaire shall have the right to exclusive possession of the Leased Premises described by Section 2.01 hereinabove.

3.40 *Non-waiver of Rights*

No failure by County to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rent or fees during the continuance of such breach, shall constitute a waiver of any such breach or of any such covenant, agreement, term or condition. No covenant, agreement, term or condition of the Agreement to be performed or complied with by Concessionaire, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by County. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

No receipt of monies by County from Concessionaire after the termination of this Agreement, or after the giving of any notice of the termination of this Agreement (unless such receipt cures the event of default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to Concessionaire, or operate as a waiver of the right of County to enforce the payment of Rent or fees payable by Concessionaire hereunder or thereafter falling due, or operate as a waiver of the right of County to recover possession of the Leased Premises by proper remedy. It is expressly agreed that after the service of notice to terminate this Agreement or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Leased Premises, County may demand, receive and collect any monies due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such monies collected being deemed payments on account of the use and occupation of the Leased Premises or, at the election of County, on account of Concessionaire's liability hereunder.

3.41 Notice of Claims and Suit

County and Concessionaire shall each give the other prompt and timely written notice of any personal injury or other accident claim for or in excess of One Thousand Dollars and 00/100ths (\$1,000.00), and of any lawsuit coming to its knowledge when either such claim or lawsuit arises out of or is in any way connected with the Leased Premises, the operations of Concessionaire hereunder, or the construction or operation of the Airport by County which in any way, directly, indirectly, contingently or otherwise, might reasonably affect the parties' relationship under this Agreement.

Such notice shall be deemed prompt and timely if given within thirty (30) calendar Days following the date of receipt of such claim by an officer, agent, or employee of either party, and if given within ten (10) calendar Days following the date of service of process upon either party with respect to any such lawsuit.

3.42 No Warranty re Airport

County does not warrant that Airport will continue to be used as an airport during the Term of this Agreement. In the event that such Airport use is terminated, whether temporarily or permanently, Concessionaire shall neither claim nor have entitlement to any damages whatsoever from County.

3.43 Nuisance and Waste

Concessionaire shall not conduct any operation or activity on the Leased Premises, or elsewhere in the Airport, in which the sound emitting therefrom is of such volume, frequency or intensity at such time as to constitute a nuisance. Concessionaire shall not erect, nor permit to be erected, any nuisance on the Leased Premises, or permit any waste thereof. Concessionaire shall not permit any trash or garbage to accumulate on or about the Airport and other common areas in or around the terminals. The County shall have the sole and exclusive authority to determine what constitutes a nuisance and waste.

3.44 Patents and Trademarks

Concessionaire represents that it is the owner of or is fully authorized to use any and all services, processes, machines, articles, marks, names and slogans used in its operations under this Agreement. Concessionaire agrees to save and hold harmless the County, its officers, employees, agents and representatives from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Concessionaire under this Agreement.

3.45 Performance Standards

Concessionaire shall comply with the Performance Standards as shown on EXHIBIT H, attached hereto and incorporated herein by this reference. The County may, throughout the Term of this Agreement, amend the Performance Standards with prior written notice. The County shall provide Concessionaire with the amended Performance Standards and written notice of the effective date of any such amended Performance Standards prior to the effective date.

3.46 Prior Damages and Vested Rights

None of the provisions of this Article shall operate to preclude either party from obtaining judgment for any monies due and unpaid prior to termination or for any amounts required to be paid by one of the parties on account of the other party or paid to protect the property interests of one of the parties because of the acts of the other.

3.47 Prohibition of Liens

Concessionaire shall pay promptly, as due, all persons supplying labor and materials for any alteration of or improvement to the Leased Premises, and shall permit no lien or claim to be filed or prosecuted against County on account of such labor and materials furnished.

3.48 Records and Reports

Concessionaire shall prepare and maintain an adequate set of records, in a format and detail acceptable to the County, documenting all of Concessionaire's Gross Revenues at the Airport pursuant to this Agreement. All such reports required of Concessionaire shall be prepared in accordance with generally accepted accounting principles and reported on a cash basis.

A. Monthly Report

Concessionaire shall submit a Monthly Report concurrent with each monthly submittal of Percentage Rent payments to the County Accounting Division at the address specified in Section 2.07. Concessionaire shall submit a written report and an electronic Monthly Report, in a format and detail as required by the County, of all Concessionaire's Gross Revenues at the Airport under this Agreement during the preceding calendar month. Such report shall show Gross Revenues for each concession location leased by Concessionaire under this Agreement and shall include a summary of all activities of the previous month. Both the written and electronic Monthly Reports shall be submitted no later than the fifteenth (15th) Day of the following month in which such Gross Revenues were generated at Airport. Said Monthly Report shall be submitted whether or not monthly Percentage Rent payments are due.

B. Delinquent Monthly Report

If Concessionaire is delinquent in furnishing to the County any monthly report required under this Agreement, Concessionaire shall pay the County a Ten Dollars and 00/100ths (\$10.00) late fee for each Day, that the monthly report is delinquent, as liquidated damages for the additional administrative costs incurred by the County in processing, reviewing, and demanding the delinquent monthly report. The parties have agreed that this is a fair and reasonable estimate of the County's costs incurred in processing a delinquent monthly report. Imposition of such a late fee shall not constitute a waiver of any other remedies available to the County due to Concessionaire's failure to timely provide the monthly reports or pay the report late fee.

C. Annual Report

Concessionaire shall submit to the County at the address specified for Airport Accounting in Section 2.07, for the approval of the County, an Annual Report for each

Agreement Year throughout the Term of this Agreement not later than sixty (60) calendar Days following the last Day of each Agreement Year.

Said Annual Report shall be prepared by an independent CPA or by Concessionaire's Chief Financial Officer and shall be in a format and in detail satisfactory to the County. This Annual Report shall serve as a certified annual financial statement setting forth all business transacted at the Airport by Concessionaire under the terms of this Agreement during the preceding Agreement Year, and excluding any other business transacted by Concessionaire. Such Annual Report shall include, but not necessarily be limited to, Concessionaire's Gross Revenues, Rent and other payments due to the County, the CPA's audit or by Concessionaire's Chief Financial Officer and examination of source documents from which Monthly Reports are based, and a certified opinion as to the accuracy of Concessionaire's submitted Monthly Reports. Concessionaire shall bear the entire cost of such reports.

D. Delinquent Annual Report

If Concessionaire is delinquent for ten (10) Days or more in furnishing to the County any annual report required under this Agreement, Concessionaire shall pay the County a One Hundred Dollars and 00/100ths (\$100.00) late fee for each month, or partial month, that the annual report is delinquent, as liquidated damages for the additional administrative costs incurred by the County in processing, reviewing, and demanding the delinquent annual report. The parties have agreed that this is a fair and reasonable estimate of the County's costs incurred in processing a delinquent annual report. Imposition of such a late fee shall not constitute a waiver of any other remedies available to the County due to Concessionaire's failure to timely provide the monthly or annual reports or pay the report late fee.

3.49 Regulations and Restrictions

This Agreement, and the rights herein granted, shall be subject to any and all applicable federal, State and County rules, regulations, orders and restrictions which are now in force or which may hereafter be adopted by any duly authorized governmental agency with respect to Concessionaire's operation at the Airport. In the use of the Leased Premises, Concessionaire agrees to observe, obey and abide by all ordinances, field rules and other regulations of County applicable thereto. In addition to the foregoing, Concessionaire shall comply immediately with any and all directives issued by the County.

3.50 Release of Liability

County shall not be liable for, and is hereby released from any and all liability to Concessionaire, to Concessionaire's insurance carrier or to anyone claiming under or through Concessionaire, for any loss or damage whatsoever to the property or effects of Concessionaire resulting from the discharge of water or other substance from pipes, sprinklers, conduits, containers, appurtenances thereof, or fixtures thereto, and from any damage resulting from the discharge or failure of electric current, regardless of cause or origin, except in the case of active negligence of County, its employees or agents.

3.51 Retention of Records

Concessionaire shall keep available, for a period of three (3) years after each Agreement Year of operation, the books and records of account of Concessionaire for such year, showing the Concessionaire's Gross Revenues from business conducted under this Agreement, the deductions therefrom, and other pertinent information required by the provisions pursuant to this Agreement. Such books and records of account shall be made available to County or its duly authorized agents or auditors during the regular business hours of County at the Airport for the purpose of verifying the information set forth in any Annual Report or Monthly Report statement of Gross Receipts or for the purpose of verifying compliance by Concessionaire with the terms of this Agreement.

3.52 Right of Access

County, its officers, agents, and employees shall have the right, without limitation, throughout the Term of this Agreement, to enter upon the Leased Premises for any lawful purpose, including the repair, replacement, or improvement of facility-related items, and including the purpose of determining whether Concessionaire is complying with its obligations hereunder. The County will make reasonable effort not to interfere with Concessionaire's operation within the Leased Premises.

Such entry by County shall not be deemed to excuse Concessionaire's performance of any promise, term, condition, or covenant required of it by this Agreement, and shall not be deemed to constitute waiver thereof by County.

Prior to entering on the Leased Premises, County shall give reasonable notice of its intent to enter. However, such notice requirement shall not apply in cases of emergency, when the Concessionaire has abandoned or surrendered the Leased Premises, or where Concessionaire, or Concessionaire's agent, consents to such entry. Notice under this Section may be given by any means, including oral notice to an owner, officer, or employee of Concessionaire or by posting a written notice upon the Leased Premises. Twenty-four (24) hours notice shall be deemed reasonable in absence of evidence that a shorter notice period is reasonable.

An entry obtained by County by any of the foregoing means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of the Leased Premises, or an eviction of Concessionaire from the Leased Premises or any portion thereof. Additionally, exercise of any right of entry by County under this Section shall not impose any obligation on County in addition to those assumed in this Agreement.

County may, during the progress of any work on the Leased Premises, take all necessary materials and equipment onto the Leased Premises without the same constituting an eviction, nor shall Concessionaire be entitled to any abatement of Rent while such work is in progress nor to any damages by reason of loss or interruption of business or otherwise.

3.53 Right to Nonexclusive Use of Airport

Concessionaire, throughout the Term hereof, shall have the right to the nonexclusive use, in common with others, of the Airport parking area, appurtenances and improvements thereon; the right of ingress to and egress from the Leased Premises, which right shall extend to Concessionaire's employees, guests, invitees and patrons; and the right, in common with others so authorized, to use common areas of the Airport, including roadways and other conveniences, provided, however, Concessionaire shall not impair ingress or egress to other leased or public areas of the Airport.

3.54 Rights Upon Termination by Concessionaire

In the event this Agreement is canceled for any of the reasons outlined in Section 3.22, County shall pay to Concessionaire liquidated damages, as follows:

- a. The depreciated value of Tenant Improvements, plus a premium of two percent (2%) per year of said depreciated value for the unexpired Term of the Agreement.
- b. The depreciated value shall be computed at the rate used by Concessionaire for federal income tax purposes, based on actual original cost of the Tenant Improvements placed on the Leased Premises.
- c. Original cost of the Tenant Improvements shall be based on the cost of construction statement provided to the County by Concessionaire as required in Section 3.28 K., verified by actual bills and receipts pertaining to original construction and improvements, subject to the approval in writing by County.

Upon payment by County to Concessionaire of said liquidated damages, all such Tenant Improvements shall become the sole property of the County. Concessionaire may, at its option, remove its Tenant Improvements in lieu of accepting the depreciated value. In this event, only

the premium of two percent (2%) per year, as aforesaid, shall be payable to Concessionaire by the County. Concessionaire shall be entitled to no further damages upon termination.

3.55 Risk Reduction

Concessionaire shall neither use nor permit the use of the Leased Premises in such a manner as to increase the rate of insurance thereon in excess of that in existence at the commencement of the Interim Term and the Primary Term hereof.

3.56 Signs

Concessionaire shall not erect, maintain, or display any Sign on the Leased Premises, or elsewhere at the Airport, without the prior written consent of the County. Concessionaire shall comply with the provisions of the Airport Tenant Design Manual specified in EXHIBIT I, which may be modified by the County from time to time, for all of its Signs at the Airport. Concessionaire shall request the County's approval by submitting a written request, accompanied by a detailed rendering or drawing of each proposed Sign.

3.57 Successors and Assigns

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns and personal representatives of the parties hereto.

3.58 Surrender of Leased Premises

County is not required to give Concessionaire any notice to quit possession of the Leased Premises upon expiration or sooner termination of this Agreement. Concessionaire covenants and agrees it shall peaceably surrender possession of the Leased Premises upon expiration or sooner termination of this Agreement in good condition, reasonable wear and tear, acts of God, fire and other casualties excepted, and County shall have the right to take possession of the Leased Premises.

3.59 Taxes

Concessionaire shall, at its sole cost and expense, pay any and all taxes for which it is responsible, or which may be assessed against it.

A. Possessory Interest and Property Taxation

Under this Agreement, a possessory interest subject to property taxation may be created. Pursuant to California Revenue and Taxation Code Section 107.6 and Government Code Section 53340.1, notice is hereby given that such property interest may be subject to property taxation and special taxation pursuant to Chapter 25, Division 2 of the Government Code (Mello Roos Community Facilities Act of 1982), and that the party in whom the possessory interest is vested may be subject to the payment of property taxes and special taxes levied on such interest.

Concessionaire shall pay any and all taxes, assessments, and other charges of whatsoever character that may be levied or charged upon Concessionaire's interest as herein may be created, improvements, operations, or right to use the Leased Premises.

B. Right to Contest Taxes

Concessionaire shall have the right to contest in its own name, or, to the extent reasonably necessary, in County's name, in good faith and by all appropriate proceedings, the amount, applicability, or validity of any tax assessment pertaining to the surface of Airport property and Concessionaire's operations thereon.

In the event Concessionaire initiates such contest, County shall reasonably cooperate with Concessionaire, provided that such contest will not subject any part of the surface of Airport property to forfeiture or loss; and provided, further, that if Concessionaire contests any assessment made by the Assessor of County, such contest shall not be initiated in the name of County, and County shall not be obligated to cooperate therewith.

If, at any time, payment of any tax or assessment becomes necessary to prevent any forfeiture or loss, Concessionaire shall timely pay such tax or assessment to prevent such forfeiture or loss.

3.60 Termination of Retail Concession Agreement

Concessionaire's April 28, 1998, Retail Concession Agreement shall terminate upon the Commencement Date of this Agreement regardless of any particular language in the April 28, 1998, agreement or subsequent amendments, no further notice of termination shall be required.

3.61 Time of the Essence

Time is of the essence in performance of this Agreement.

3.62 Title to the Leased Premises

Fee title to the Leased Premises is and shall remain vested in the County. Nothing in this Agreement contained or any action or inaction by County shall be deemed or construed to mean that County has granted to Concessionaire any right, power or permission to do any act or to make any agreement which may create, give rise to, or be the foundation for, any right, title, interest, lien, charge or other encumbrance upon the estate of County in the Leased Premises.

3.63 Transportation of Retail Merchandise and Other Items within Terminal B

Concessionaire shall ensure that all retail merchandise and other items necessary for Concessionaire's operations authorized under this Agreement that are being transported to and from storage and the Leased Premises within the Terminal B are handled with care and do not interfere with the traveling public and normal airline terminal operations. All such retail merchandise and other items should be packaged within containers that prevent damage or leakage during transportation and that enable X-ray inspection if required.

In transporting such retail merchandise and other items associated with operating Concessionaire's business, Concessionaire shall use only those delivery and receiving routes established by the County. Pallet jacks, if used, may only be utilized on the lower level of the terminal in the shipping and receiving areas and storage areas. If delivery and receiving routes are carpeted, any carts used must be equipped with wheels suitable for operating on carpets without causing damage to them. Concessionaire may only transport retail merchandise and other items in those service elevators designated for delivery. Under no circumstances may deliveries be taken onto the escalators. Concessionaire must always refrain from transporting operating materials, such as office supplies, inventory, merchandise, recyclables, and trash through the public common areas of the Airport whenever service corridors and delivery tunnels are available.

The County reserves the express right to further regulate the delivery and servicing activities of the Concessionaire and its suppliers to the Airport and the Leased Premises and Concessionaire agrees to abide by such further regulations of the County.

3.64 Trash and Garbage

Concessionaire shall, at its sole cost and expense, provide a complete and proper arrangement for the adequate sanitary handling and disposal away from the Airport of all trash, dry and wet garbage, and other refuse resulting from, or in any way associated with, Concessionaire's use of the Leased Premises. Concessionaire shall take appropriate action in the handling of waste materials to prevent the presence of rodents and other vermin. Such arrangements shall include, but not be limited to, the use of suitable covered metal receptacles at the Leased Premises for the temporary storage of all such garbage, trash, and other refuse.

Concessionaire shall keep all garbage materials in durable, fly-proof and rodent-proof, fireproof containers that are easily cleaned. The containers shall have tight-fitting lids, doors, or covers, and shall be kept tightly covered when material is not being deposited in them. Concessionaire shall clean the containers, as necessary, to prevent odors. Concessionaire shall not allow boxes, cartons, barrels, or other similar items to remain within view of public.

Concessionaire shall not deposit any of its trash or other refuse in any containers except those designated for Concessionaire's trash.

The County may provide this service for a fee and reserves the right to direct Concessionaire's route for garbage and other refuse removal. Concessionaire shall also be required to participate in any County re-cycling programs at the Airport.

3.65 *Vehicle and Equipment Parking*

Vehicular and equipment parking by Concessionaire, its employees, agents, Subtenants, licensees, suppliers, and subcontractors shall be restricted to such areas at the Airport as are designated by the County. Such parking shall be subject to the payment of such parking fees and charges as may from time to time be in effect for such designated areas.

3.66 Execution of Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Day and year first above written.

COUNTY OF SACRAMENTO, a political
subdivision of the State of California

“COUNTY”

By: _____
Chair, Board of Supervisors
the County of Sacramento

(SEAL)

ATTEST: _____
Clerk of the
Board of Supervisors

XXXXXXXXXXXXXXXXXXXX, LLC

“CONCESSIONAIRE”

Date: _____

By: _____

(Name) _____

(Title) _____

(SEAL)

APPROVED AS TO TERMS
AND CONDITIONS:

REVIEWED AND APPROVED:

By: _____
John Wheat
Director of Airports

By: _____
County Counsel

EXHIBIT A

Leased Premises

Exhibit A1 – Common Use Airport Lounge

File: W:\AUTOCAD\Master\enr\Lease\10294-2-SUITE-14-15 (Exhibit A) Updated: 1/10/14 Printed: 1/10/14-10:34am By: ManzyukP

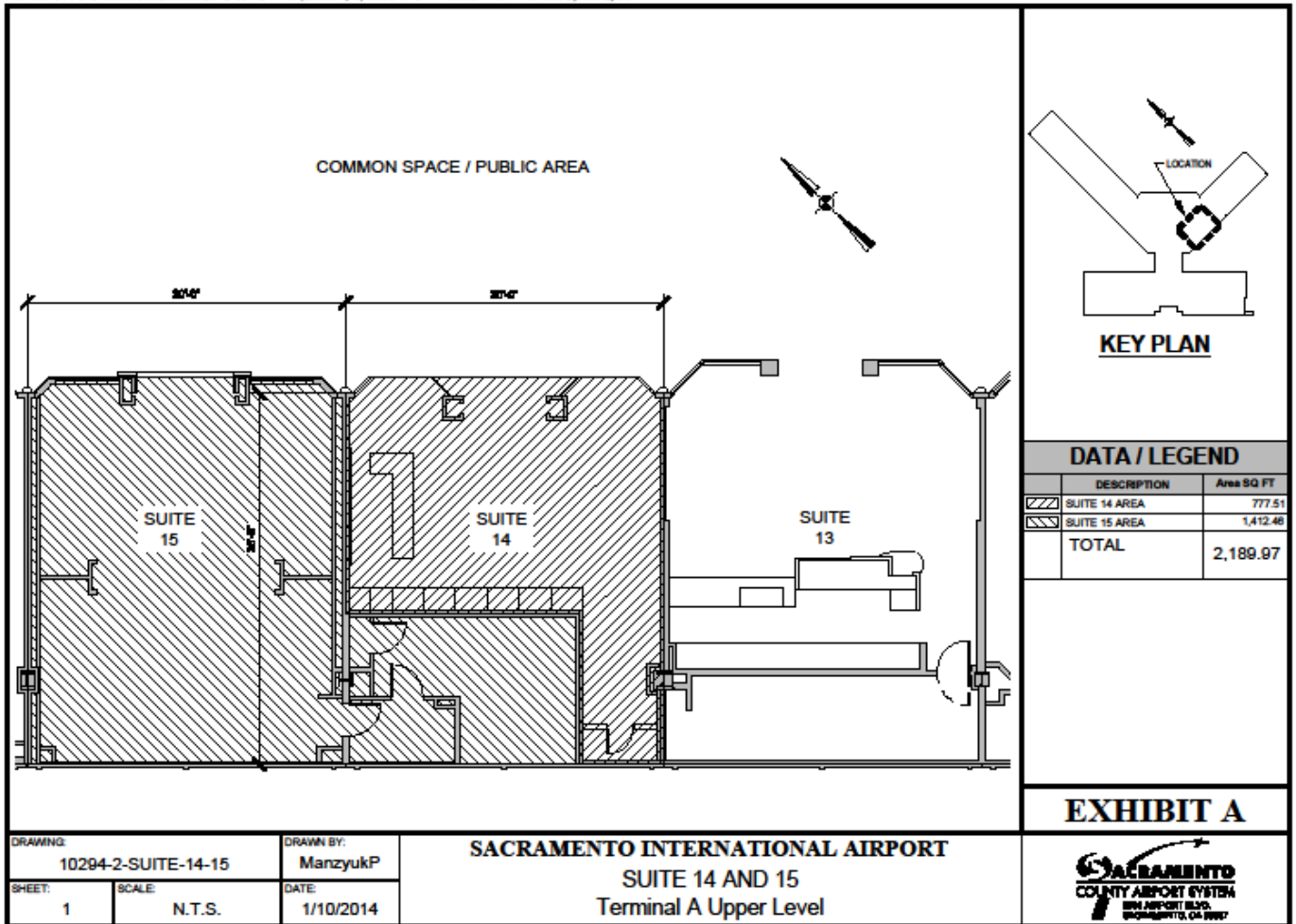
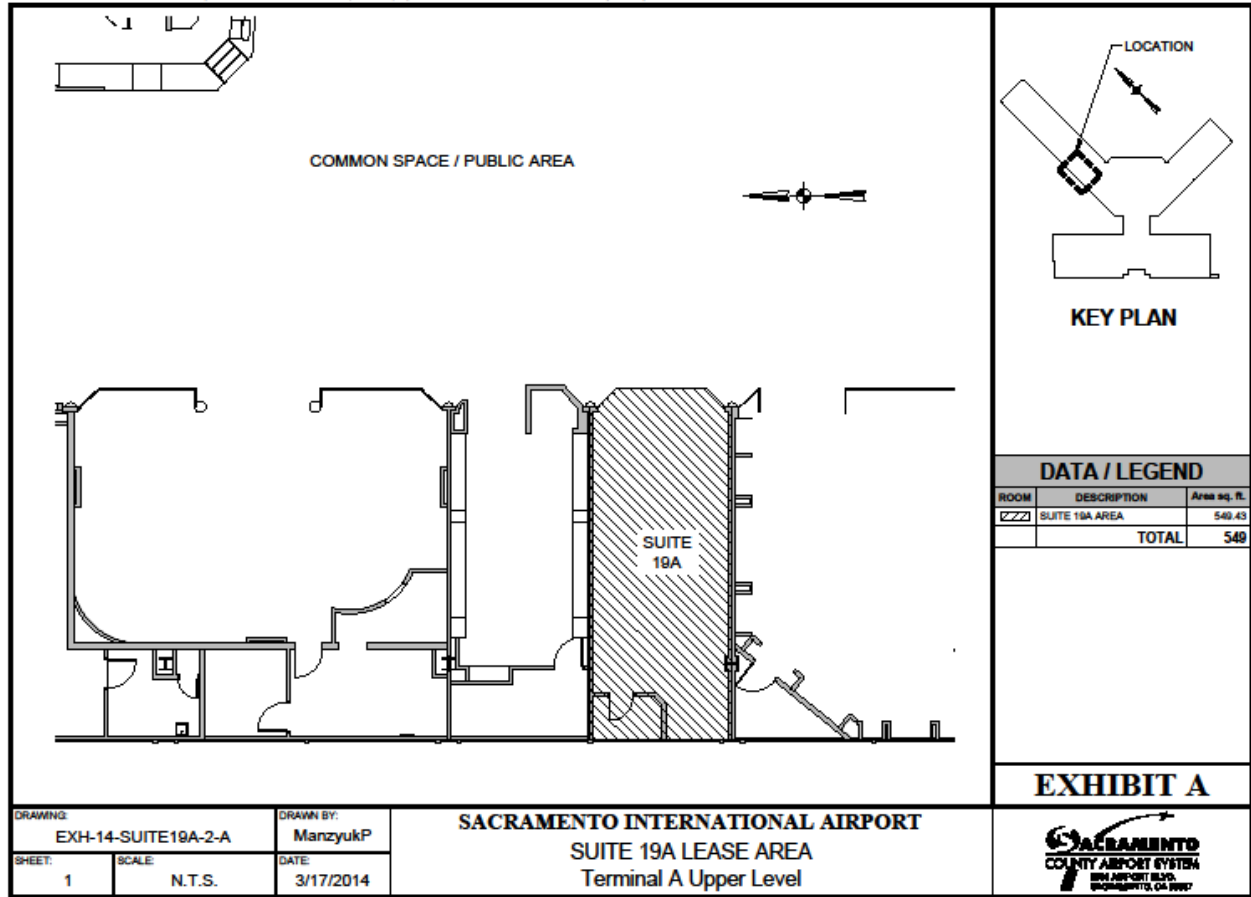


Exhibit A2 – Specialty Retail

File: W:\AUTOCAD\Master\enr\Lease\Proposed\EXH-14-SUITE19A-2-A (Exhibit A) Updated: 3/17/14 Printed: 3/17/14-7:55am By: ManzyukP

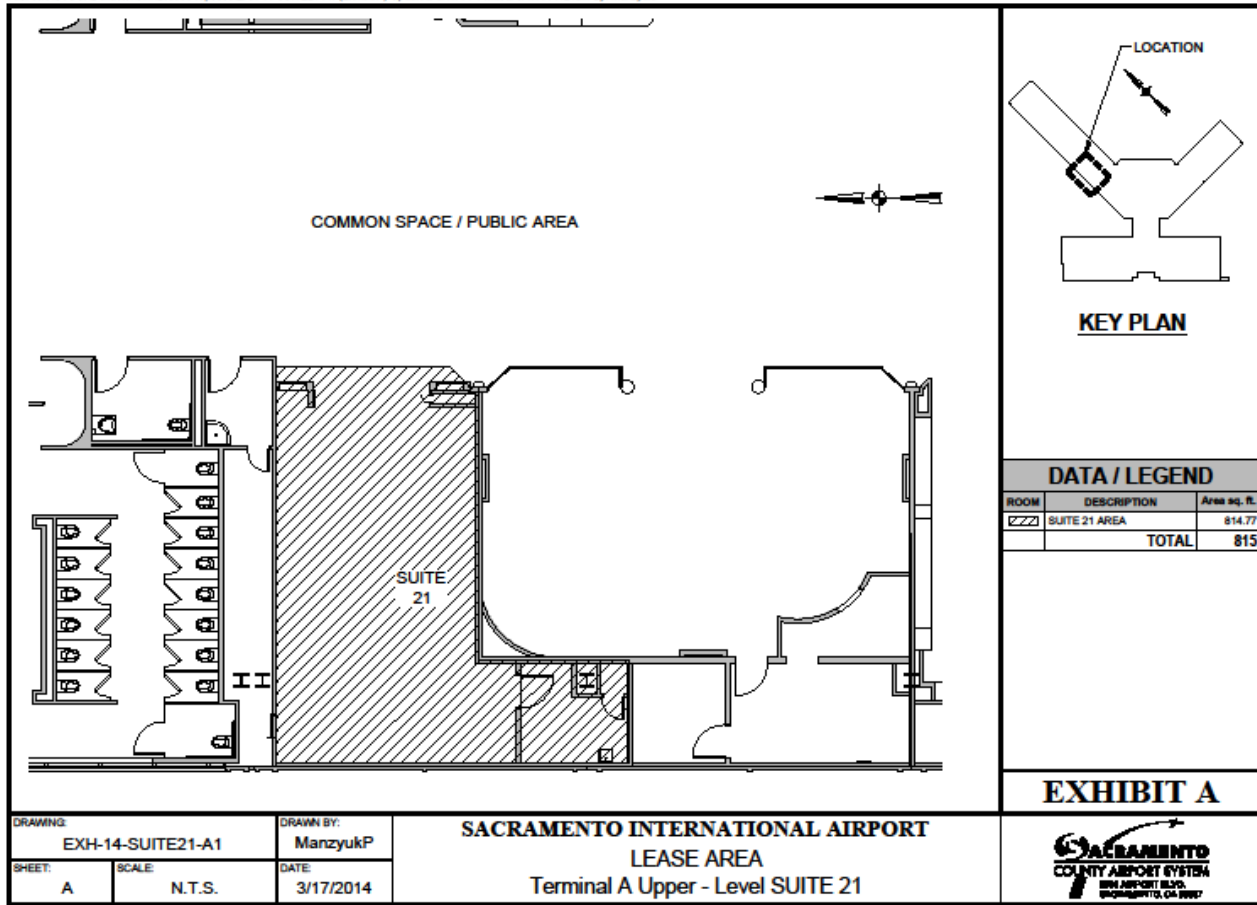


DRAWING: EXH-14-SUITE19A-2-A		DRAWN BY: ManzyukP
SHEET: 1	SCALE: N.T.S.	DATE: 3/17/2014

SACRAMENTO INTERNATIONAL AIRPORT
SUITE 19A LEASE AREA
 Terminal A Upper Level

EXHIBIT A





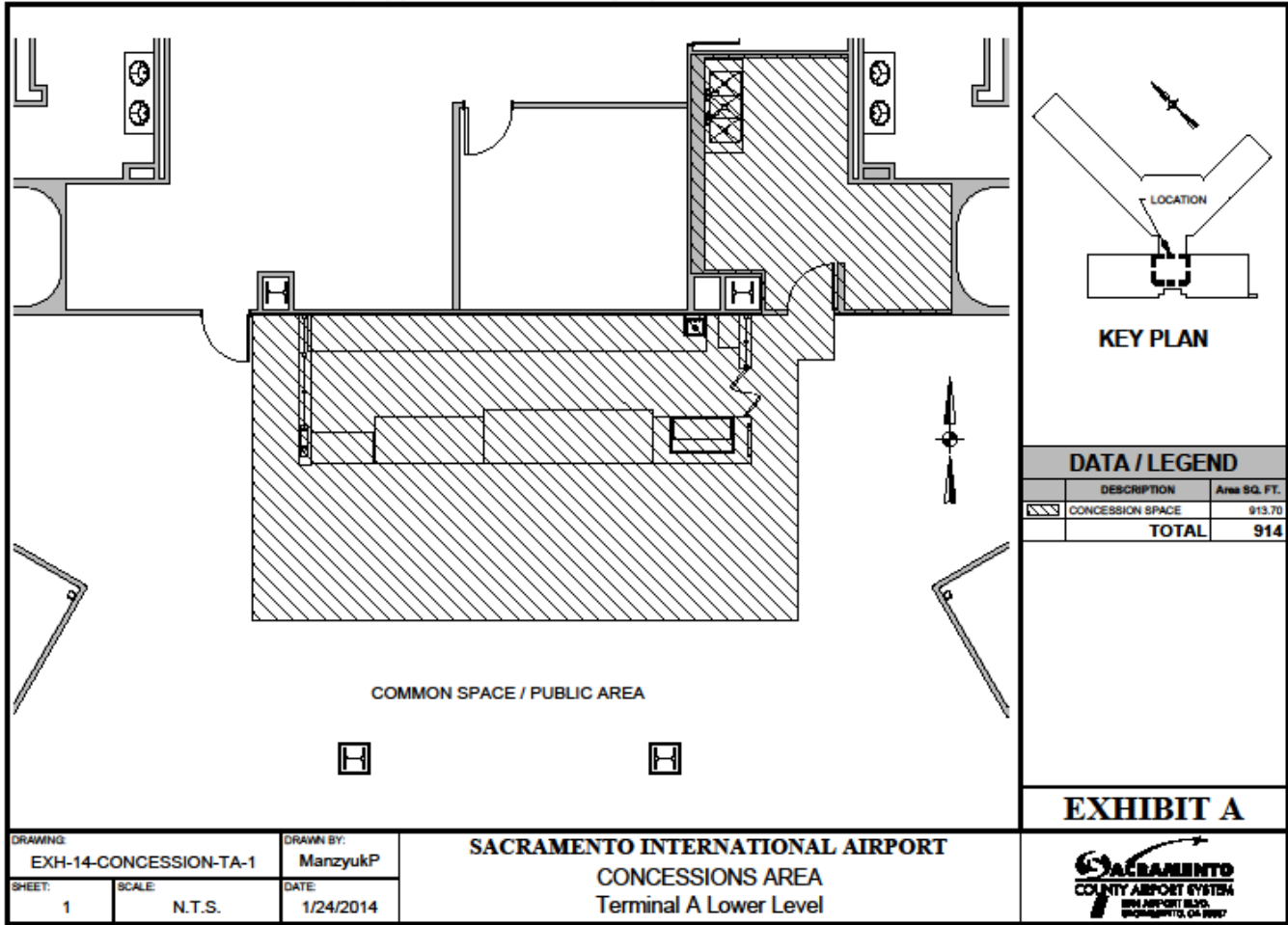
DRAWING: EXH-14-SUITE21-A1		DRAWN BY: ManzyukP
SHEET: A	SCALE: N.T.S.	DATE: 3/17/2014

SACRAMENTO INTERNATIONAL AIRPORT
LEASE AREA
Terminal A Upper - Level SUITE 21



Exhibit A3 – Convenience

File: W:\AUTOCAD\Master\anf\Lease\TA\EXH-14-CONCESSION-TA-1 (Exhibit) Updated: 1/24/14 Printed: 1/24/14-10:18am By: ManzyukP



DRAWING: EXH-14-CONCESSION-TA-1		DRAWN BY: ManzyukP	
SHEET: 1	SCALE: N.T.S.	DATE: 1/24/2014	

SACRAMENTO INTERNATIONAL AIRPORT
CONCESSIONS AREA
Terminal A Lower Level

EXHIBIT A



EXHIBIT B

Lower Level Common Use Area

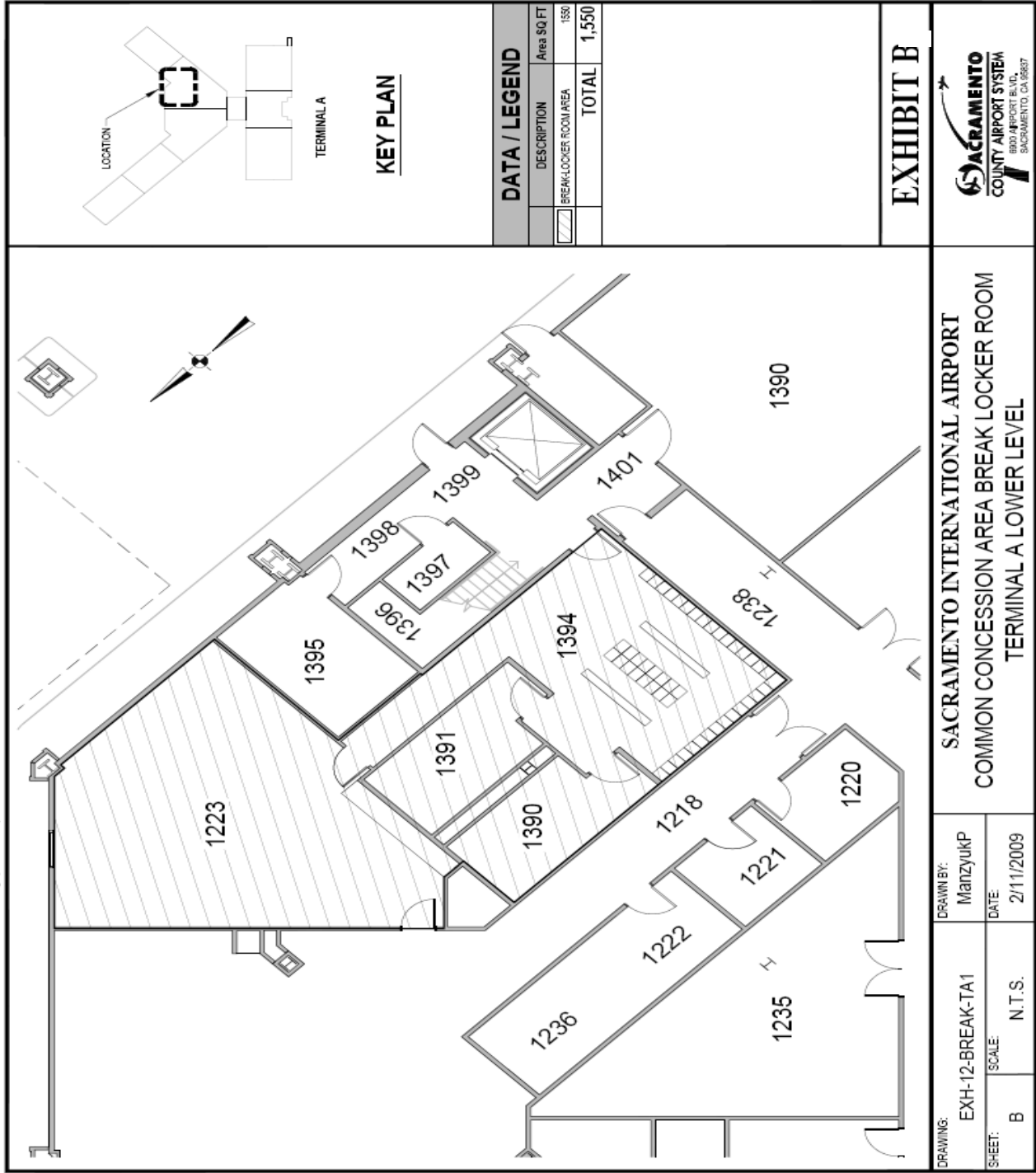


EXHIBIT C

Product List

Concessionaire will carry the products listed below:

EXHIBIT D

Utility Responsibilities

Concessionaire, at Concessionaire's sole cost and expense, in accordance with the Airport Tenant Design Manual, attached hereto and incorporated herein as EXHIBIT I, shall make its own arrangements and pay for all charges assessed for any and all of its utilities, except natural gas, including but not limited to:

1.	Electrical Power
2.	Water
3.	Sanitary Sewer
4.	Trash/Garbage Collection and Disposal
5.	Telephone and Communication Services
6.	Internet Services
7.	Any other utility service used at the Leased Premises

Concessionaire shall be responsible for any utility service or other service supplied to or used on the Leased Premises, including any and all connection and metering charges, as billed directly to Concessionaire by utility companies furnishing such services or as billed by County. If billed by County, Concessionaire shall pay County such costs and charges based upon such standard Airport rates and charges as may be established from time to time by County, and meter readings, if any, for amounts used by Concessionaire, within fifteen (15) Days following the date of such billing. Concessionaire agrees that any and all such charges for any and all such services shall be paid before their delinquency and that County shall be protected and held harmless by Concessionaire therefrom.

County shall not be liable to Concessionaire for any interruption in or curtailment of any utility service, nor shall any such interruption or curtailment constitute a constructive eviction or grounds for Rent abatement in whole or in part herein. Concessionaire acknowledges that County has no authority over the utility service providers. County shall take all reasonable steps to assist Concessionaire in Concessionaire's efforts to gain access to the utilities discussed herein.

EXHIBIT E

Maintenance Responsibilities

A. Responsibility of County

County shall, without additional expense to Concessionaire, provide or cause to be provided maintenance of the items designated as the County's responsibility within the attached Preventative/Corrective Maintenance Responsibility Matrix (Matrix).

Except as otherwise expressly provided herein, the Leased Premises are leased to Concessionaire in an "As Is" condition from the Turnover Date throughout the Term of this Agreement.

County or its authorized agents may, at any time, without notice, enter upon the Leased Premises to determine if housekeeping and maintenance satisfactory to County is being performed. If it is determined that said housekeeping or maintenance is not satisfactory, County shall so notify Concessionaire in writing. If said housekeeping or maintenance is not performed by Concessionaire within fifteen (15) Days after receipt of written notice, County, or its agents, shall have the right to enter upon the Leased Premises and perform the maintenance. The cost, plus 15% of the cost for administrative charges, for the performance of any such maintenance by County shall be borne by Concessionaire. Any maintenance required to avoid harm to the building, its contents, other tenants or persons shall be performed immediately without need of written notice or County may, upon verbal notice to Concessionaire's manager, itself perform such maintenance at Concessionaire's expense.

B. Responsibility of Concessionaire

Throughout the Term of this Agreement, Concessionaire shall, at its sole cost and expense, provide the preventative and corrective maintenance designated as the Concessionaire's responsibility on the attached Matrix.

Except as otherwise expressly provided herein, Concessionaire, at all times, shall at its sole cost and expense, maintain the Leased Premises in first class condition, order and repair and in strict compliance with all applicable governmental regulations, laws and codes, County's rules and regulations, and insurance company standards, rules and regulations. Concessionaire shall be obligated, without cost to County, to maintain the Leased Premises in accordance with the Performance Standards as described in EXHIBIT H.

Concessionaire shall notify County prior to performing corrective work (beyond lamp changes) on equipment or fixtures integral to the Airport structure/infrastructure, such as light fixtures, HVAC, fire alarm, plumbing, etc.

Concessionaire shall do nothing, and shall permit nothing to be done, that could interfere with the drainage or sewage systems, fire hydrants, HVAC systems, electrical systems, domestic hot water or cold water, gas, fire suppression systems, fire alarm system, or plumbing on the Leased Premises or elsewhere at the Airport, without the advance written permission of the County.

Concessionaire shall be responsible for immediately notifying County of any malfunction, problem, fault, or not-in-operation for any item for which County is responsible under this EXHIBIT E. If Concessionaire fails to promptly notify County, Concessionaire waives County's obligation to perform such maintenance, repair or testing.

Concessionaire agrees to take good care of the Leased Premises and to return the same at the termination of this Agreement in as good order as when received, excepting ordinary wear and tear and natural decay.

Concessionaire shall keep the Leased Premises free of debris, trash, and hazardous conditions, shall keep public areas around the Leased Premises free of hazardous conditions originating from Concessionaire's operations and shall orally notify the County promptly of other hazardous conditions in the public areas outside the Leased Premises upon actual knowledge of any such hazardous condition.

C. Failure to Maintain or Repair

If Concessionaire refuses or neglects to undertake the prompt maintenance or repair, which is Concessionaire's responsibilities under this Agreement, the County shall have the right to make such repairs on behalf of and for Concessionaire. Such work shall be paid for by Concessionaire within ten (10) calendar Days following written demand by the County for said payment at the County's standard rates, plus the County's overhead, and the delinquency charge on the amount paid by the County from the date the funds were expended. If the work is performed by a contractor hired by the County, the County shall be reimbursed the County's actual cost, including but not limited to, County administrative costs and the delinquency charge on the amount paid by the County from the date the funds were expended.

Concessionaire shall be solely responsible for the cost of any repair or maintenance to the Leased Premises resulting from the negligent acts or omissions of Concessionaire, its officers, agents, employees, Subtenants, invitees, suppliers, or contractors. In the event of such damage, County may elect to perform such repair or maintenance itself, at Concessionaire's sole cost and expense plus County administrative costs, or require Concessionaire to perform the same at Concessionaire's sole cost and expense.

Provided, however, if such repair or maintenance is not of an emergency nature, as determined by the County, in its sole discretion, County shall give Concessionaire fifteen (15) Days advance written notice of its election in such matter.

Preventive/Corrective Maintenance Responsibility Matrix

Sacramento International Airport Terminal A - Paradies

#	Equipment	County Responsibility	Concessionaire Responsibility	Not Applicable
1	Electrical			
2	Infrastructure (within Leased Premises or exclusively serving Leased Premises)		X	
3	Transformer - Concessionaire Electrical Service	X		
4	Transformer(s) - other than main service		X	
5	Panels		X	
6	Time Clocks		X	
7	Receptacles		X	
8	Switches		X	
9	UPS Systems (within Leased Premises or exclusively serving Leased Premises)		X	
10	Testing		X	
11	Repair		X	
12	Maintenance		X	
13	Lighting - Interior within the Leased Premises		X	
14	Lamps		X	
15	Ballasts		X	
16	Fixtures		X	
17	Common area lighting - Exterior Lighting Located in common areas of the Airport	X		
18	Lamps	X		
19	Ballasts	X		
20	Fixtures	X		
21	Tenant area lighting - Lighting located in common areas illuminating Leased Premises		X	
22	Lamps		X	
23	Ballasts		X	
24	Fixtures		X	
25	Signage - lighted		X	
26	Lamps		X	
27	Ballasts		X	
28	Fixtures		X	
29	Aircraft Ramp lighting			X
30	Hangar lights			X
31				
32	Plumbing			
33	Infrastructure	X		
34	P-Traps	X		
35	Trap primers	X		
36	Sewer Lines	X		
37	Water Pipe	X		
38	Vents	X		
39	Floor sinks		X	
40	Toilets			X
41	Grease Traps		X	
42	Mop sinks		X	
43	Waste drains		X	
44	Backflow preventers	X		
45				
46	Fire Suppression System			
47	Fire Alarm Detection (including 24-hour monitoring)	X		
48	Fire Suppression System (Building Wide System)	X		
49	Fire Suppression Equipment Exclusive to the Leased Premises (i.e. Fire Extinguishers, etc.)		X	
50				
51	Building Interior			
52	Signage - non-lighted		X	
53	Wall finishes (including store front)		X	
54	Cabinetry - repair		X	
55	Cabinetry - new		X	
56	Doors (Including locks, hinges and closers)		X	
57	Interior leased space doors		X	
58	County space/leased space doors		X	
59	Fire doors		X	
60	Roll up Doors		X	
61	Bag belt Systems			X
62	Restrooms fixtures (towel/soap dispensers, mirrors, partitions, etc.)			X
63	Floor Tiles/Carpet		X	
64	Ceiling (tiles and grid)		X	
65	Display cases (within Leased Premises)		X	
66	Art work (within Leased Premises)		X	
67				
68	Building Exterior			
69	Pavement	X		
70	Repair and Patch Roof	X		
71	Clean and Clear Gutters	X		
72	Structural Maintenance and/or repairs	X		
73	Exterior Walls, Roof and Foundation	X		
74	Landscaping	X		
75				
76	HVAC			
77	UPS System HVAC (common to building HVAC)	X		
78	UPS System HVAC (leased space HVAC)		X	
79	Kitchen ventilation systems			X
80	Exhaust Fans			X
81	Common to building HVAC	X		
82	Ceiling Vents		X	
83	Thermostats		X	
84	Leased space HVAC		X	
85				
86	Miscellaneous			
87	Pest Control (as necessary to maintain a pest and vermin free condition)		X	
88	Equipment and Improvements installed by Tenant (wether authorization was given or not)		X	
89	Janitorial		X	
90	Trash Removal		X	
91	Power Monitoring and Control System (PMCS)	X		

EXHIBIT F

ASSURANCES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION

SECTION A

Purpose, Classes Of Activities, Applicability Of Assurances And Definition Of Terms

1. PURPOSE:

The County of Sacramento, California, an airport owner subject to Federal Grant Agreement obligations at Sacramento International Airport (SMF), Sacramento Executive Airport (SAC), and Mather Airport (MHR), is required by the Federal Aviation Administration (FAA) to include specific provisions, addressing, among other things, the requirements of Title VI of the Civil Rights Act of 1964, Exclusive Rights prohibitions, and Affirmative Action items contained in Title 14 Code of Federal Regulations Part 152, within all agreements (including, without limitation, leases, licenses, permits, and contracts) between said County and any and all entities who use or perform work or conduct activities on County owned or operated airport premises for aeronautical or non-aeronautical purposes. The purpose of this EXHIBIT F is to appropriately incorporate within the "Agreement," to which it is attached and made a part of by reference therein, the seventeen (17) numbered provisions contained within Section "B," "ASSURANCES," below.

2. CLASSES OF ACTIVITIES:

The applicability of each of the seventeen (17) numbered provisions contained within Section "B," "ASSURANCES," below, to that certain "Agreement" to which this EXHIBIT F is attached and made a part of by reference therein, is, among other things, dependent upon the type of work to be performed and/or the type of activities to be conducted at the airport(s) by the Lessee, Permittee, Licensee, Operator, etc., named therein, pursuant to and in accordance with those certain rights, privileges, uses, and operations, expressly granted and/or authorized thereunder. The following activity classifications, as established by the FAA, are provided for the information and guidance of all concerned:

a. Direct and Supportive Aeronautical: The following activities, commonly conducted on airports, are AERONAUTICAL ACTIVITIES:

- (1) Air Carrier
- (2) Charter Operations
- (3) Pilot Training
- (4) Aircraft rental and sightseeing
- (5) Aerial Photography
- (6) Crop dusting
- (7) Aerial Advertising and Surveying
- (8) Aircraft Sales and Services
- (9) Sale of Aviation Petroleum products (whether or not conducted in conjunction with other included activities)
- (10) Repair and Maintenance of Aircraft
- (11) Sale of Aircraft Parts
- (12) Any other activities which, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an "aeronautical activity."

- b. Complementary Aeronautical: The following activities, when conducted on airports, are COMPLEMENTARY AERONAUTICAL ACTIVITIES:
- (1) Ground Transportation (taxis, car rentals, limousines)
 - (2) Restaurants
 - (3) Barber Shops
 - (4) Auto Parking Lots
 - (5) Recreational Facilities
 - (6) Any other commodities, services or accommodations made available to the general public.
- c. Non-Aeronautical: The following activities, when conducted on airports, being neither "Direct and Supportive Aeronautical" nor "Complementary Aeronautical," as defined above, are NON-AERONAUTICAL ACTIVITIES.
- (1) Manufacturing
 - (2) Agriculture
 - (3) Any other activity not appropriately falling within the above-said "Direct and Supportive Aeronautical" and/or "Complementary Aeronautical," classifications.

3. APPLICABILITY OF NUMBERED PROVISIONS WITHIN SECTION "B," "ASSURANCES," BELOW TO CLASS(ES) OF ACTIVITIES SPECIFIED WITHIN PARAGRAPH 2, ABOVE:

The applicability of the numbered provisions within Section "B," "Assurances," below, to the respective classes of activities specified within sub-paragraphs 2a, b, and c, of this Section "A," above, is as follows:

<u>ACTIVITY CLASS</u>	<u>NUMBERED PROVISIONS APPLICABLE TO CLASS</u>
	<u>SMF, SAC and MHR AGREEMENTS</u>
Direct and Supportive Aeronautical	1 through 17
Complementary Aeronautical	1 through 16
Non-Aeronautical	1 through 16

4. DEFINITION OF TERMS USED WITHIN SECTION "B," "ASSURANCES," BELOW:

In order to facilitate ease of fulfillment of the requirement specified within paragraph 1 of this Section "A," this EXHIBIT F is designed to be attached to and made a part of all County of Sacramento Airport "Agreements," including, without limitation, leases, licenses, permits, contracts, etc. Therefore, in the event the "Agreement" to which this EXHIBIT F is attached and made a part of by reference therein shall be other than a lease or be a lease within which the parties thereto are therein called or referred to other than "Lessor" and "Lessee," then, where the terms "Lessor," "Lessee," and "Lease" appear, as shown, within the seventeen (17) numbered "ASSURANCES" listed within Section "B," below, said terms shall be deemed to mean "COUNTY OF SACRAMENTO, CALIFORNIA," "THE OTHER PARTY TO THE PARTICULAR AGREEMENT" (e.g., Licensee, Permittee, Concessionaire, Operator, etc.), and the "AGREEMENT" itself (regardless of title, type and/or description, including, without limitation, Leases, Agreements, Licenses, Permits, and Contracts) respectively. Where the terms "LAND LEASED" and "LEASED PREMISES" (and all reasonably readily identifiable

derivations thereof) appear, said terms shall be deemed to mean the land(s) and/or premises specifically identified within the "Agreement" as being that/those to which leasehold tenancies, occupancies, use(s), operation(s), and/or access(es) by the Lessee, Permittee, Licensee, Operator, Concessionaire, etc., are expressly authorized. In all cases, where the term "AIRPORT" appears, as shown, it shall be deemed to mean the particular airport(s) (i.e., either the Sacramento International Airport, the Sacramento Executive Airport, or Mather Field) as identified within the "Agreement" between the parties as being the Airport(s) to which the "Agreement" pertains.

SECTION B

Assurances

1. The "LESSEE," for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the "Agreement" to which this EXHIBIT F is attached is a lease) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this "LEASE" for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the "LESSEE" shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. The "LESSEE," for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the agreement to which this EXHIBIT F is attached is a lease) that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the "LESSEE" shall use the "premises" in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. That in the event of breach of any of the above nondiscrimination covenants, "LESSOR" shall have the right to terminate the "LEASE" and to reenter and repossess said land and the facilities thereon, and hold the same as if said "LEASE" had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.
4. "LESSEE" shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, THAT the "LESSEE" may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such non-compliance the COUNTY OF SACRAMENTO, CALIFORNIA ("LESSOR") shall have the right to terminate this "LEASE" and the estate hereby created without liability therefore or at the election of the "LESSOR" or the United States either or both said Governments shall have the right to judicially enforce Provisions 1, 2, 3, and 4 above.
6. "LESSEE" agrees that it shall insert the above five (5) provisions in any lease, agreement, contract, etc., by which "LESSEE" grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the "premises" herein "LEASED."
7. The "LESSEE" assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The "LESSEE" assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The "LESSEE" assures that it will require that its covered suborganizations provide assurances to the "LESSEE" that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. The "LESSOR" reserves the right to further develop or improve the landing area of the "Airport" as it sees fit, regardless of the desires or view of the "LESSEE" and without interference or hindrance.
9. The "LESSOR" reserves the right, but shall not be obligated to the "LESSEE." to maintain and keep in repair the landing area of the "Airport" and all publicly-owned facilities of the "Airport." together with the right to direct and control all activities of the "LESSEE" in this regard.
10. This "LEASE" shall be subordinate to the provisions and requirements of any existing or future agreement between the "LESSOR" and the United States, relative to the development, operation or maintenance of the "Airport."
11. There is hereby reserved to the "LESSOR," its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the "premises" herein "LEASED." This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the "Airport."
12. "LESSEE" agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the "LEASED PREMISES," or in the event of any planned modification or alteration of any present or future building or structure situated on the "LEASED PREMISES."
13. The "LESSEE," by accepting this "LEASE," expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the "land leased" hereunder which would exceed the height limits of Part 77 of the Federal Aviation Regulations. In the event the aforesaid covenants are breached, "LESSOR" (the owner) reserves the right to enter upon the "land leased" hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the "LESSEE."

14. The "LESSEE," by accepting this "LEASE," agrees for itself, its successors and assigns, that it will not make use of the "LEASED PREMISES" in any manner which might interfere with the landing and/or taking off of aircraft at and/or from the "AIRPORT" (either Sacramento International Airport, Sacramento Executive Airport or Mather Field, as applicable) or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the "LESSOR" (owner) reserves the right to enter upon the "premises hereby leased" and cause the abatement of such interference at the expense of the "LESSEE."

15. This "LEASE," and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said "AIRPORT" or the exclusive or nonexclusive use of the "AIRPORT" by the United States during the time of war or national emergency.

16. It is the policy of the Department of Transportation (DOT) that disadvantaged and minority business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of leases as defined in 49 CFR 23.5. Consequently, these leases are subject to 49 CFR Part 23, as applicable. "LESSEE" hereby covenants and agrees that no person shall be excluded from participation in, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract, including leases, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex. "LESSEE" agrees that it will include the above clauses in all sub-leases and cause sublessees to similarly include the clauses in further sub-leases.

17. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

EXHIBIT G

Insurance Requirements for the Retail Concession Agreement between the COUNTY OF SACRAMENTO, hereinafter referred to as "County," and XXXXXXX hereinafter referred to as "Concessionaire"

INSURANCE REQUIREMENTS

Without limiting Concessionaire's indemnification, Concessionaire shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Concessionaire, its officers, agents, representatives, employees, Subtenants, guests, patrons, contractors, subcontractors, licensees, invitees, and suppliers. County shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the County Risk Manager, insurance provisions in these requirements do not provide adequate protection for County and for members of the public, County may require Concessionaire to obtain insurance sufficient in coverage, form and amount to provide adequate protection. County's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

Verification of Coverage

Concessionaire shall furnish the County with certificates evidencing coverage required below. **Copies of required endorsements must be attached to provided certificates.** The County Risk Manager may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected. All certificates, evidences of self-insurance, and additional insured endorsements are to be received and approved by the County before performance commences. The County reserves the right to require that Concessionaire provide complete, certified copies of any policy of insurance including endorsements offered in compliance with these specifications.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. GENERAL LIABILITY: Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, Contractual, and Personal & Advertising Injury, and Liquor Liability without additional exclusions or limitations, unless approved by the County Risk Manager.
2. AUTOMOBILE LIABILITY: Insurance Services Office's Commercial Automobile Liability coverage form CA 0001.
 - a. Commercial Automobile Liability: auto coverage symbol "1" (any auto) for corporate/business owned vehicles. If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.
 - b. Personal Lines automobile insurance shall apply if vehicles are individually owned.

3. WORKERS' COMPENSATION: Statutory requirements of the State of California and Employer's Liability Insurance.
4. PROFESSIONAL LIABILITY or Errors and Omissions Liability insurance appropriate to the Concessionaire's profession, or Concessionaire's Prime Contractor's profession.
5. UMBRELLA or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverages that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Commercial Automobile Liability, Employers' Liability, and any other liability coverage (other than Professional Liability) designated under the Minimum Scope of Insurance.

Minimum Limits of Insurance

Concessionaire shall maintain limits no less than:

1. General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure shall be:

General Aggregate:	\$2,000,000
Products Comp/Op Aggregate:	\$2,000,000
Personal & Adv. Injury:	\$1,000,000
Each Occurrence:	\$1,000,000
Fire Damage:	\$ 100,000 (or replacement value of portion of building you lease, whichever is greater.)
Liquor Liability:	\$1,000,000

Building Trades Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).

2. Automobile Liability:
 - a. Commercial Automobile Liability for Corporate/business owned vehicles including non-owned and hired, \$1,000,000 Combined Single Limit.
 - b. Personal Lines Automobile Liability for Individually owned vehicles, \$250,000 per person, \$500,000 each accident, \$100,000 property damage.
3. Workers' Compensation: Statutory.
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
5. Professional Liability or Errors and Omissions Liability: \$1,000,000

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention that applies to any insurance required by this Agreement must be declared and approved by the County.

Claims Made Professional Liability Insurance

If professional liability coverage is written on a Claims Made form:

1. The "Retro Date" must be shown, and must be on or before the date of the Agreement or the beginning of Agreement performance by Concessionaire.
2. Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Agreement.
3. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the Concessionaire must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Agreement.

Other Insurance Provisions

The insurance policies required in this Agreement are to contain, or be endorsed to contain, as applicable, the following provisions:

All Policies

1. **ACCEPTABILITY OF INSURERS**: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than **A-:VII**. The County Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected.
2. **MAINTENANCE OF INSURANCE COVERAGE**: The Concessionaire shall maintain all insurance coverages in place at all times and provide the County with evidence of each policy's renewal ten (10) Days in advance of its anniversary date. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be canceled except after thirty (30) Days' written notice for cancellation or non-renewal has been given to the County. For non-payment of premium ten (10) Days prior written notice of cancellation is required.

Commercial General Liability and/or Commercial Automobile Liability

1. **ADDITIONAL INSURED STATUS**: The County, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insureds as respects: liability arising out of activities performed by or on behalf of the Concessionaire; products and completed operations of the Concessionaire; premises owned, occupied or used by the Concessionaire; or (commercial) automobiles owned, leased, hired or borrowed by the Concessionaire. The coverage shall contain no endorsed limitations on the scope of protection afforded to the County, its officers, directors, officials, employees, or volunteers.
2. **CIVIL CODE PROVISION**: Coverage shall not extend to any indemnity coverage

for the active negligence of the additional insured in any case where an Agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

3. PRIMARY INSURANCE: For any claims related to this Agreement, the Concessionaire's insurance coverage shall be endorsed to be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, directors, officials, employees, or volunteers shall be excess of the Concessionaire's insurance and shall not contribute with it.

4. SEVERABILITY OF INTEREST: The Concessionaire's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. SUBCONTRACTORS: Concessionaire shall be responsible for the acts and omissions of all its subcontractors and shall require all its subcontractors to maintain adequate insurance.

Professional Liability

PROFESSIONAL LIABILITY PROVISION: Any professional liability or errors and omissions policy required hereunder shall apply to any claims, losses, liabilities, or damages, demands and actions arising out of or resulting from professional services provided under this Agreement.

Workers' Compensation

WORKERS' COMPENSATION WAIVER OF SUBROGATION: The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by the Concessionaire.

Property

COURSE OF CONSTRUCTION (COC) WAIVER OF SUBROGATION: Any Course of Construction (COC) policies maintained by the Concessionaire in performance of the Agreement shall contain the following provisions:

1. The County shall be named as loss payee.
2. The insurer shall waive all rights of subrogation against the County.

INLAND MARINE WAIVER OF SUBROGATION: Any Inland Marine insurance policies maintained by the Concessionaire in performance of the Agreement shall be endorsed to state that the insurer shall waive all rights of subrogation against the County.

Notification of Claim

If any claim for damages is filed with Concessionaire or if any lawsuit is instituted against Concessionaire, that arise out of or are in any way connected with Concessionaire's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect County,

Concessionaire shall give prompt and timely notice thereof to County. Notice shall be deemed prompt and timely if given within thirty (30) Days following the date of receipt of a claim or ten (10) Days following the date of service of process of a lawsuit.

EXHIBIT H

Performance Standards

Concessionaire is required to provide the highest product quality, customer services, and facilities to the Airport patrons at all times. The County and Concessionaire agree that Concessionaire shall observe the following Performance Standards in addition to those contained elsewhere in the Agreement.

A. Hours of Operation

The Leased Premises shall be open for business seven (7) days a week, including holidays, except as may be otherwise be approved in writing by the Director. The Director shall approve all hours of operation and shall have the option to make changes to the Concessionaire's hours of operations with twenty-four (24) hour prior written notice. The hours of operation must be conspicuously posted at the Leased Premises in a manner approved by the Director.

B. Operation of Concession and Leased Premises

1. Concessionaire shall furnish all services provided hereunder on a fair and reasonable basis to all users of the Airport and the general public. The Concessionaire's operations must be conducted in a safe, clean, orderly, and inviting condition at all times and service shall be prompt, courteous and efficient satisfactory to the County.
2. No loud or inappropriate music will be played at the Leased Premises. Concessionaire's employees must conduct themselves in a professional manner and shall provide the highest level of service possible to all Airport patrons.
3. In the event the Leased Premises are operated as a name brand facility by Concessionaire pursuant to a license or franchise, Concessionaire shall fully comply with all the standards of the licensor or franchisor, perform all of the terms and conditions of such license or franchise and keep such license or franchise in full force and effect.
4. Concessionaire shall strictly comply with all applicable building codes, zoning regulations, municipal, county, State or federal laws, ordinances and regulations, including all health department regulations and ordinances, and all Airport rules, regulations and orders. Concessionaire shall maintain continuously the necessary licenses required to operate the Leased Premises.
5. Concessionaire shall conduct its operations in an orderly and proper manner so as not to commit any nuisance or waste in the Leased Premises.
6. Customer Complaints - Concessionaire shall respond in writing to all written complaints within 48 hours of receipt and shall provide copies of all associated written correspondence to the Airport Director.
7. At no time shall the Leased Premises be left unattended or temporarily closed while employees go on break, receive deliveries, or for other such reasons unless otherwise previously approved by the Director in writing.

8. Concessionaire's service shall be timely, attentive, and friendly. Processing of payments from customers shall be prompt. Receipts shall be properly itemized, shall reflect precisely the actual sale of goods and date of sale, and shall present individual prices, total, and taxes. All customers shall be thanked for patronage.

9. Concessionaire shall operate its business at Airport under the trade name set forth in the Agreement so long as: (1) the same shall not be held to be in violation of any applicable law; and (2) shall not change the advertised name or character of the business operated in the Leased Premises without the prior written approval of the County, which approval may be withheld at the County's absolute discretion.

10. Concessionaire shall not give samples, approach customers or otherwise solicit business in the common areas or any other part of the Airport other than the Leased Premises. Concessionaire shall not distribute any handbills or other advertising matter in the common areas or any other part of the Airport other than in the Leased Premises. In the event that the Concessionaire violates the foregoing, Concessionaire shall, at Concessionaire's sole cost and expense, be responsible for immediately clearing the area of any such materials.

11. At the Director's request, Concessionaire shall meet with the Director to review any complaints or concerns and shall promptly correct any deficiencies. The Director's determination as to quality of operation or services shall be conclusive and curative measures shall be implemented by Concessionaire as expeditiously as possible.

12. Concessionaire shall at all times observe prudent cash-handling procedures, and it shall immediately implement any new procedures, or revise any existing procedures in such a manner, as the Director may reasonably require from time to time, provided that the Director gives written notice thereof to Concessionaire.

13. The Director may monitor, test, or inspect Concessionaire's service at any time through the use of a responsible shopping service or by other commercially reasonable means that do not unduly interfere with Concessionaire's business.

14. The Director, in his sole discretion, reserves the right to require Concessionaire to add additional staff, if the customer service requirements set forth in this Agreement are not being met. Concessionaire should anticipate peak travel seasons such as Spring Break, Thanksgiving, Christmas, and other holidays, and add additional staff accordingly.

15. The Concessionaire will display only signage that has been previously approved by the Director in writing. The Director, in his sole discretion, shall have the right to require Concessionaire to immediately remove any displays that are determined to be inappropriate for the Airport. Handwritten signage is expressly prohibited from being displayed at any time.

16. Concessionaire shall comply with all local Department of Health sanitation rules and regulations and must maintain the Leased Premises in a clean manner. Copies of all Department of Health facilities inspections shall be submitted to the Director within five (5) business days upon completion of inspection. Concessionaire shall notify the Director immediately upon receiving any failing inspection.

17. Tip cups or jars are allowed in full service bar areas only and are to be placed on the back service bar counter. Concessionaire shall not place tip jars or cups on the front counters and employees shall not solicit patrons for tips. Any public fund raising conducted by Concessionaire is not allowed without prior express written consent of the Director.

18. The operation and management of the Leased Premises shall be under the constant and direct supervision of a well trained, qualified, and experienced manager employed by Concessionaire.

C. Personnel

1. **Manager** - Concessionaire's manager on-site at the Leased Premises shall be a full-time active, qualified, experienced, and competent Manager with the complete responsibility and authority to respond quickly and decisively to the Director in all matters affecting the operation of the Leased Premises. Concessionaire shall at all times ensure, in the absence of the Manager, that a qualified supervisor is available and empowered to act quickly and decisively in response to any need arising from the operation of the Leased Premises during normal business hours as well as in the evenings and/or in the event of an emergency.

2. **Staffing** - Concessionaire shall provide an adequate number of employees on each shift to ensure the highest standards of public service and satisfactory operation and maintenance of the Leased Premises at all times. Concessionaire shall provide appropriate staffing levels to accommodate changes in peak periods of passenger activity and shall add an appropriate number of employees to respond to increased levels in potential customers resulting from changes in the airline schedules or relocation of airline gates. Concessionaire shall recruit, train, supervise, direct and deploy the number of employees necessary to provide prompt service to all customers.

3. **Department** - Concessionaire shall require its employees in all circumstances to observe a strict impartiality as to quantities and services, to provide fast service, to exercise courtesy and consideration in dealing with the public and to give directions and make change cheerfully. Employees will acknowledge, greet and/or welcome customers and provide assistance to customers as needed or requested. Concessionaire's employees shall be proficient in customer service and sales techniques. Employees shall not eat or drink within view of customers or in the store selling space during business hours and shall not chew gum while in the Leased Premises. Personal belongings shall not be within view of customers at the Leased Premises.

4. **Training** - Concessionaire's employees shall conduct themselves in accordance with the rules and precepts taught in Concessionaire's training program or programs. Each employee shall be trained in retail service selling skills and shall be knowledgeable about the products and services offered at the Leased Premises. Concessionaire shall certify to the Director, if requested, that such training has been completed.

5. **Uniforms & Badges** - All employees of Concessionaire who come in contact with the public shall be clean and well groomed, neat, professional, courteous, and shall

wear professional uniforms that must be kept neat and clean. If Concessionaire does not have a standard uniform all Concessionaire employees shall be appropriately attired. All Concessionaire employees must wear the official Airport identification badge and Concessionaire's identification name tag at all times, subject to the Director's approval, which clearly state Concessionaire's company name and the individual employee's name. If the Leased Premises are operated pursuant to a license or franchise, the franchisor/licensor's uniform shall be acceptable.

D. Store Merchandising

1. Concessionaire shall develop and implement creative and effective merchandising displays within the Leased Premises to adequately promote and advertise its goods or services that encourage customers to purchase merchandise and services.
2. Merchandising shall include promotional displays and attractive packaging. Concessionaire shall establish reasonably adequate inventory levels as required to facilitate sales. All merchandise shall be properly stocked, stored and secure to maintain control of inventory.
3. Merchandising displays and promotional displays must conform to the Airport Tenant Design Manual, as may be amended from time to time. The County shall have the right to require Concessionaire to immediately remove any displays that do not conform to the Airport Tenant Design Manual or that the Director, in his sole discretion, determines are inappropriate for the Airport.

E. Sales and Dignified Use

No public or private auction, fire, going out of business, bankruptcy or similar types of sales shall be conducted in or from the Leased Premises. The Leased Premises shall be used only in a dignified and ethical manner, consistent with the general high operation standards at the Airport.

F. High Traffic Areas Refurbishment

Concessionaire shall maintain the Leased Premises in a first-class, well-maintained condition at all times during the term of this Agreement. Concessionaire shall repaint or refinish, at Concessionaire's own cost, high traffic areas within the Leased Premises subject to greater than normal wear on a schedule to be specified by Concessionaire, or as may be required by the Director, if Concessionaire fails to specify a reasonable refurbishment schedule and complete such refurbishment. All Tenant Improvements, and other furnishings that become worn, chipped, dented, gouged or otherwise damaged, shall be repaired or replaced by Concessionaire, at Concessionaire's sole expense as soon as reasonably possible.

G. Maintenance and Leased Premises Upkeep

1. Concessionaire must keep and maintain the Leased Premises and any fixtures, furniture, and equipment contained within the Leased Premises in good condition and repair.
2. Concessionaire shall perform all maintenance, repairs, or replacements using quality materials equal to the original, and, if materially changed from the original, shall be subject to the prior written approval of the Director.
3. Concessionaire shall provide complete and adequate arrangements for the sanitary handling of all trash, garbage, and other refuse generated in connection with the use of the Leased Premises.

4. Concessionaire shall not allow the accumulation of boxes, pallets, cartons, barrels, carts, equipment, or other similar items in public or common areas.
5. Concessionaires may be required, at its own expense, to keep a floor mat to all rear (back of house) entrances and exits to their Leased Premises as a means to prevent debris and water from permeating common areas.
6. Concessionaire shall be responsible for the complete control of all rodents and insects or other pests within the Leased Premises.
7. Concessionaire's fixtures and/or equipment installed in, affixed to, or served by, roof vents or other similar air openings serving the Leased Premises, shall be kept free of grease accumulation, dirt, and other foreign matter by Concessionaire at all times throughout the term of the Agreement. Concessionaire shall furnish and service any and all filters or similar equipment considered necessary by the County, monthly or as often as necessary.
8. Concessionaire shall implement approved daily, weekly, monthly, and annual equipment maintenance and facility cleaning logs and shall submit such logs as requested by the Director. Concessionaire shall strictly adhere to such cleaning and maintenance schedules and provide equipment inspection certifications as required by Director.

H. Sanctions for Violation of Concessionaire Operating Standards

1. Upon Concessionaire's violation of the operating standards listed in the table below, Concessionaire may be sanctioned for such violations in the amounts identified. Sanctions may accrue immediately and without notice upon violation.
2. Violations must be cured at the earliest possible date. If condition of violation continues for more than two (2) calendar days after the County has given Concessionaire notice of the violation, additional sanctions may be applied.
3. Each violation occurrence shall be cumulative and expire 365 days from notification. Effects of violation shall be applied for 365 days from date of notification.
4. After five (5) violations in Section A or three (3) violations in Section B within one calendar year (365 days) of the chart herein below, the Director reserves the right, at its sole option, not to impose the sanction and instead to seek any other remedies available under Section 3.23 of the Agreement, including termination of this Agreement.
5. If Concessionaire believes that there were unforeseen circumstances beyond Concessionaire's reasonable control that caused Concessionaire to violate the operating standards described in this EXHIBIT H, Concessionaire may request that the County take such mitigating circumstances into consideration by submitting to the Director a written request which outlines and explains the mitigating circumstance in detail. The Director will review such request before imposing a sanction or taking any other action that it is entitled to take under this Agreement.

Schedule of Sanctions

<p>Section A Violations: Hours of Operation Operations, Service Standards and Employee Standards Pricing Quality Signage Interference with Utilities Deliveries and Vendor Access</p>	<p>Occurrence 1 2 3 4 5</p>	<p>Amount of Sanction Written Notification \$200 Sanction \$400 Sanction \$750 Sanction \$1,000 per occurrence thereafter or default under Section 3.23 of the Agreement</p>
<p>Section B Violations: Maintenance and Repairs Sanitation Hygiene and Cleanliness Waste Disposal & Recycling Health Code Violations</p>	<p>Occurrence 1 2 3</p>	<p>Amount of Sanction \$250 Sanction \$500 Sanction \$1,000 per occurrence thereafter or default under Section 3.23 of the Agreement</p>

EXHIBIT I

Airport Tenant Design Manual

See Attached

EXHIBIT J

Merchandise and Services Pricing Policy

The intent of the County's Merchandise and Service Pricing Policy (Pricing Policy) is to maintain consistency in the quality of merchandise and services for concessions offered at the Airport. Merchandise and services offered at the Concessionaire's location at the Terminal in the Airport shall be comparable to the quality and prices as those offered at other stores in the Sacramento Metropolitan Area (Sacramento, Yolo, Placer, El Dorado, Sutter, Nevada, Amador and San Joaquin Counties). The County requires strict adherence to the Pricing Policy and any violations to the Pricing Policy are subject to Sanctions as described in EXHIBIT H, Performance Standards.

A. Establishing Comparable Locations and Pricing

Concessionaire is responsible for establishing comparable locations for the purpose of instituting a pricing structure for their locations under the following guidelines:

1. Franchised Stores

If a Concessionaire has one or more stores or franchises bearing the same name within the Sacramento Metropolitan Area, that facility or those facilities will be designated as the comparable facilities.

2. Non-Franchised Stores

a. If Concessionaire does not have the same store or franchise elsewhere in the Sacramento Metropolitan Area, or if there are items sold at Concessionaire's Airport concession that are not sold at any off-Airport comparable facilities, Concessionaire and the County will identify no more than three (3) stores in the Sacramento Metropolitan Area similar in concept, size, and quality, which shall hereinafter be considered comparable for the purposes of implementing the Pricing Policy terms of this EXHIBIT J.

b. If Concessionaire is unable to find a reasonable comparable location within the Sacramento Metropolitan Area, then Concessionaire shall have the right to request in writing an exemption from the local comparable requirement for approval by the Director. Such request must include reason for requested exemption and provide a detailed explanation of how Concessionaire intends to establish pricing for its merchandise or services.

3. Pricing

a. Franchised store prices shall not be more than ten percent (10%) higher for the same product offered at the approved franchised comparable location. Concessionaire shall submit pricing from only one store from the Sacramento Metropolitan Area for pricing its comparables.

b. Non-Franchised store prices offered at the Airport must be no more than ten percent (10%) higher, unless otherwise specified in Section B of this EXHIBIT J, for the same quality product found at the approved off-Airport comparable locations. Concessionaire will need to provide a price justification for any product that is different in size or quality for purposes of establishing a reasonable comparable price.

4. Protection from Competition

In selecting comparable stores for the purposes of this EXHIBIT J, stores that are partially or fully protected from competition, such as hotels or sports arenas, and locations that operate using an off-price or discount pricing structures, shall not be included as comparable locations.

5. Rights of Director

In any event, if the County and Concessionaire are unable to agree on the comparable stores or prices, the Director shall have the right to select the comparable stores for the purpose of establishing prices for the Concessionaire's location(s).

6. Product and Price Submittal

Concessionaire shall be required to submit a complete product and price list to the Director for approval at least sixty (60) days prior to the initial store opening. Such product and price list shall detail all products and services available for sale and the requested price. Differences in size or quality of a product or service shall, all other things being equal, be considered by County during its review.

B. Pricing Policy by Category

1. Pre-Marked or Pre-Printed Price

Subject to reviews and modification by the Director, where prices are pre-printed on the item by the distributor or manufacturer, the price charged for the item shall not exceed the pre-printed price. This includes, but is not limited to newspapers, magazines, greeting cards, and hard and soft cover books, candies, souvenirs, sundries, etc, or any holiday merchandise.

2. Unmarked Good or Services

Subject to reviews and modification by the Director, Concessionaires shall not charge greater than ten percent (10%) of the approved off-Airport comparable price for any merchandise or services offered at any location(s) at the Airport. Concessionaire must use like products of like quality for establishing reasonable pricing.

3. Display of Pricing

Concessionaire is required to prominently display pricing for all merchandise and services offered at any location(s) at the Airport.

C. Price Adjustments and New Products

1. Written Approvals

Throughout the Agreement term, Concessionaire must obtain the County's written approval prior to adjusting prices and offering new products and services. Any request for price adjustments or new products and services must be submitted to the Director at least fourteen (14) days prior to the price increase effective date. Price adjustments shall be based on rising prices for the same items at the comparable facilities in the Sacramento Metropolitan Area.

2. Price Adjustments

Concessionaire will be allowed to submit pricing adjustments two (2) times per year unless otherwise requested by Concessionaire due to market conditions. If, in the opinion of the Director, prices do not meet the requirements of this Section, it will be required that the prices be adjusted accordingly.

D. Exorbitant Prices, Inadequate Quality, Etc.

a. At any time during the Agreement term, the Director may, at its option, survey prices, rates and charges and the quality of services and commodities then in effect at comparable stores in the Sacramento Metropolitan Area. If said survey concludes that any prices being charged by Concessionaire on the Leased Premises are not in compliance with the Pricing Policy, or that any service or commodities being offered by Concessionaire are of too low quality, the Director shall then have the right to require compliance with the Pricing Policy or improvement in quality of Concessionaire's service. Upon receipt of written notice from the Director, Concessionaire shall thereafter charge the appropriate prices or improve quality as directed by the Director.

b. Failure on the part of Concessionaire to promptly correct, rectify or modify its price, or quality schedule upon such written notice from the Director shall be cause for cancellation of this Agreement by County under the provisions of Section 3.23, Early Termination by County.

Attachment 2

General Airport and Airline Information

Airport History

Sacramento International Airport (Airport) is located in Sacramento, the capital of California and the center of government and commerce within the Sacramento River Valley region. The Airport opened in 1967 and currently encompasses approximately 6,000 acres. The County of Sacramento owns the Airport and it is operated by the Sacramento County Department of Airports (Department of Airports). The Department of Airports is a self-supporting agency; Airport tenant and user rents, fees and charges support the operating and capital budgets for the Airport. Over 2,000 people are employed by the airport, including a Sacramento County Sheriff's division and TSA employees who oversee airport security.

The Airport plays an important role in the economies of the Sacramento Area and the State of California. In addition to its economic benefits, the Airport performs a critical air transportation role by facilitating airline service. The Airport is a critical component of the State's infrastructure for the movement of people and goods, for facilitating regional, national, and global commerce, and for linking the Sacramento Area with the world community.

Demographic Data

Sacramento County encompasses approximately 994-square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west.

Sacramento County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

Sacramento is the core cultural and economic center of its four-county metropolitan area (El Dorado, Placer, Sacramento and Yolo counties) with a combined population of more than 2 million; it is also California's second largest inland city. The Sacramento Metropolitan Area is the largest in the Central Valley, and is the fourth-largest in California, behind Los Angeles, San Francisco Bay and San Diego.

The U.S. Department of Commerce, Bureau of the Census, has projected the Sacramento Area average annual population growth rates to be approximately 1.9% through 2020. SMF, which is classified as a medium-hub airport by the FAA, is the primary commercial airport serving Sacramento County and seven (7) neighboring counties (Sacramento Area). Passengers from an eleven (11) county outlying area provide a secondary air service area.

Airlines and Service

As of March 2014, SMF was served by 10 scheduled passenger airlines which provided an average of 119 daily scheduled aircraft departures. The Airport is also served by one all-cargo airline. There were 4,349,450 total enplanements for calendar year 2013.

Attachment 3

Enplaned Passengers

The table below depicts the enplaned passengers for the four current Terminal A airlines: Delta, Jet Blue, United and US Airways, as well as American Airlines which is expected to relocate to Terminal A as a result of the merger with US Airways.

Historical Enplaned Passengers by Calendar Year			
Airlines	2011	2012	2013
Delta	296,665	287,805	272,583
Jet Blue	130,412	157,824	129,543
United	293,480	344,933	369,904
US Airways	221,284	238,007	227,345
American	227,685	236,071	244,860

Attachment 4

Airport Maps, Facilities, and Ground Transportation

Airport Area Map



P SACRAMENTO INTERNATIONAL AIRPORT **PARKING**

Public Parking

- 1 Parking Garage
- 2 Daily Parking
- 3 Economy Parking
- 4 Hourly B Parking
- 5 & 6 Daily B Parking
Opening early 2012

Other Parking

- 7 Free Waiting Area

Rental Cars

- 8 Rental Car Terminal – Alamo, Avis, Budget Dollar, Enterprise, Hertz, & National

Ground Transportation

- 9 On & Off Airport Shuttles & Taxis, Limos, Hotel Shuttles, & Special Events
- 10 RAC, Daily & Economy Parking Shuttles, & Public Transit.
- 11 RAC, Inter-Terminal Shuttle, Daily & Economy Parking Shuttles, & Special Events

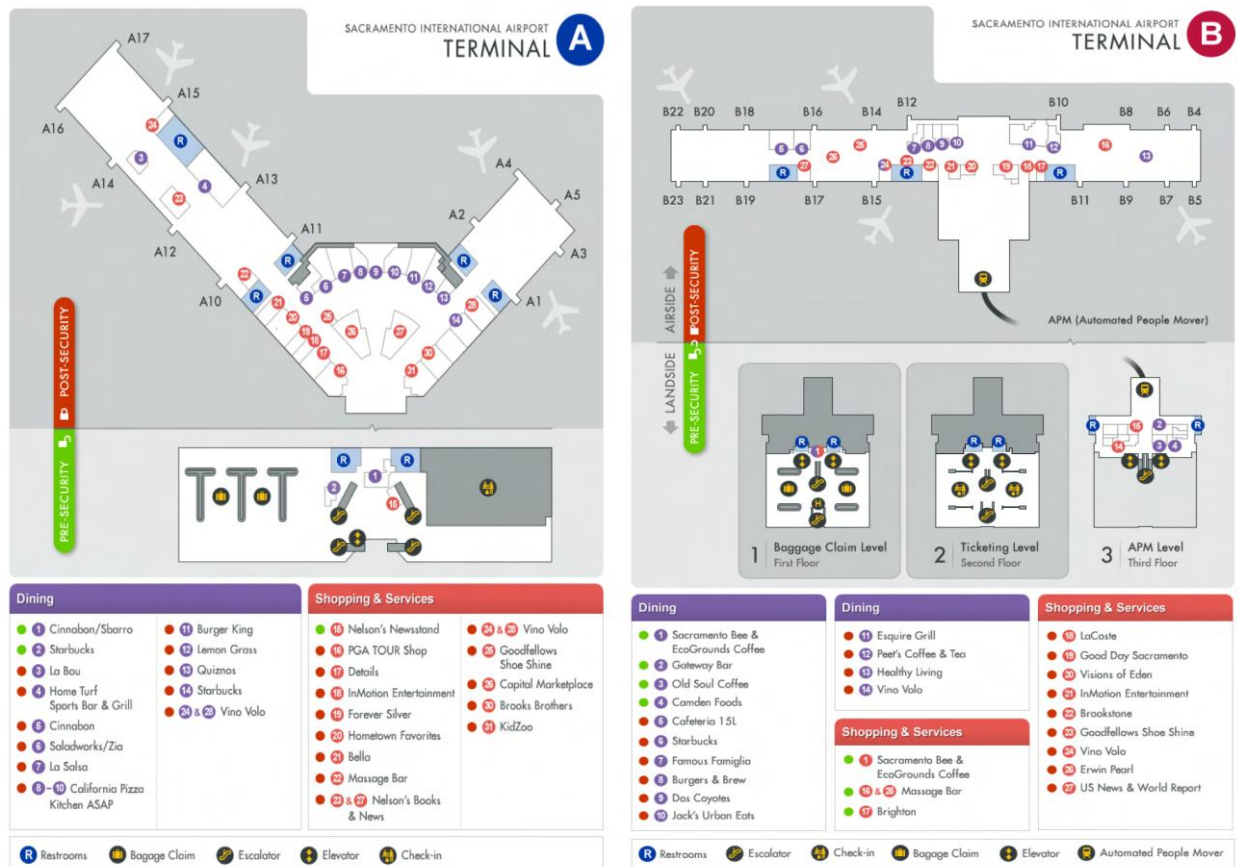
Points of Interest

- 12 International Arrivals
- 13 Air Cargo
- 14 CW
- 15 Air Cargo (United)
- 16 Sky Chef
- 17 US Post Office Airport Facility
- 18 Cessna Citation Service Center
- 19 Beneto
- 20 FAA FIFO
- 21 General Aviation
- 22 ARCO Service Station

Terminal Facilities

There are two airline terminals (Terminal A and B) with a total of 31 jet level boarding gates with one landside Central Terminal B. Wi-Fi internet access is available to the public free of charge throughout the terminals. Disabled access, accommodations and services are provided throughout the terminals and ATMs are available pre- and post-security.

Strong design standards, attractive storefronts and an inviting shopping atmosphere have earned the Airport the Best Concessions Program Design award for medium-sized airports from Airport Revenue News, the leading trade journal for airport concession operators. The award was announced at the magazine's annual Airport Revenue Conference & Exhibition in Orlando, Florida on February 28, 2012.



Ground Transportation

Ground transportation at the Airport includes on-call Van Service, Taxi Service, seven (7) on-site Rental Car Companies and two (2) off-site Rental Car Companies, and daily Yolobus service to and from surrounding communities. There is also Inter-terminal shuttle service to various Airport locations such as parking, Rental Car area, General Aviation Center, Air Cargo area and public transportation stops.

Attachment 5

Concession Program Sales

The table below depicts the total gross sales from the concession program in Terminal A as well as Terminal A Enplanements for calendar years 2011, 2012 and 2013.

Concession Gross Sales			
SMF	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013
Retail	8,560,894	3,726,375	3,388,921
Food and Beverage	12,286,364	6,308,384	7,133,929
Total Gross Sales	\$20,847,258	\$10,034,758	\$10,522,850
Enplanements	2,409,610	1,129,807	1,194,867

Note: New Terminal B opened on October 6, 2011

Attachment 6

Location Exhibit

Exhibit A1 – Common Use Airport Lounge

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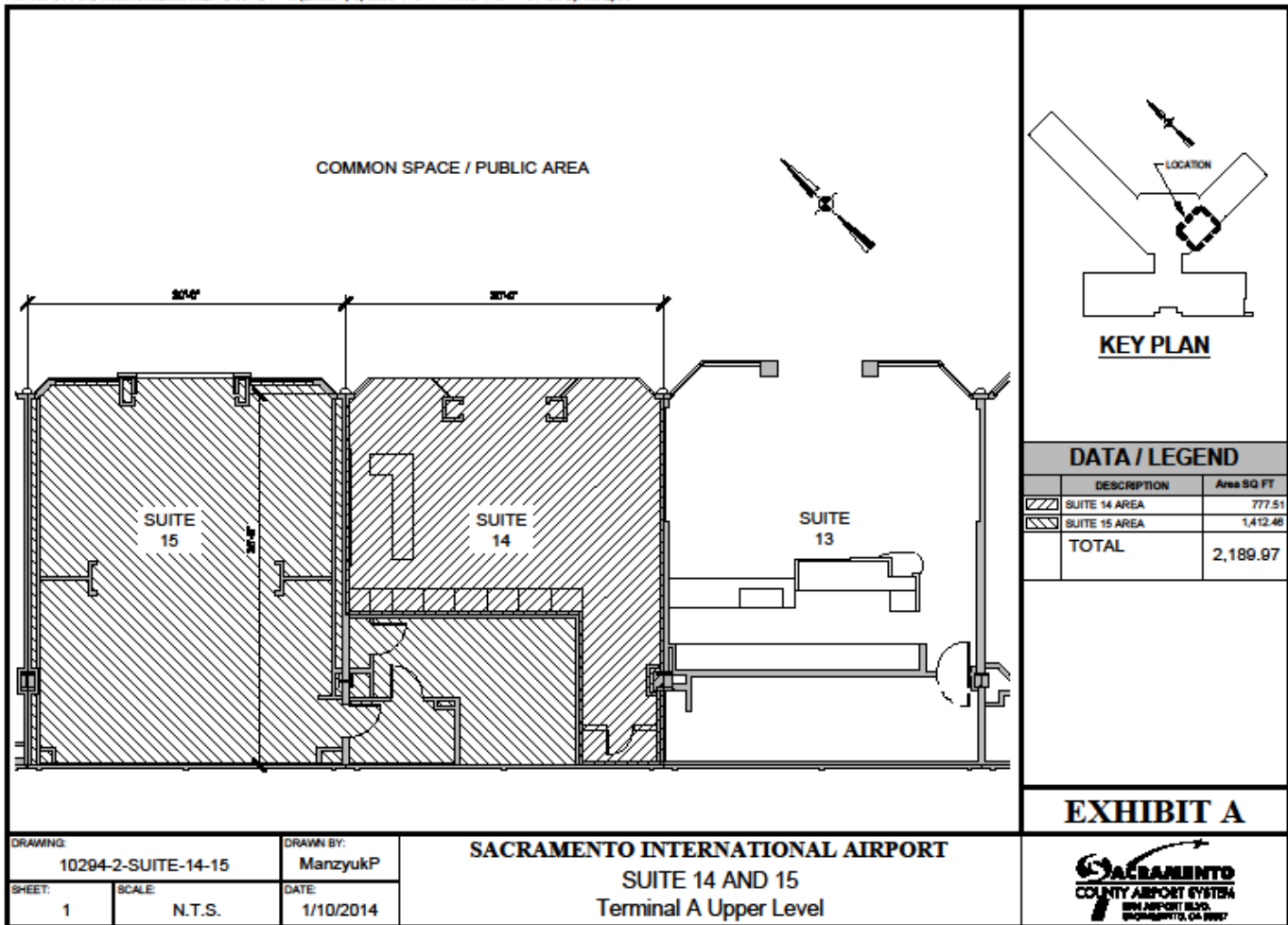
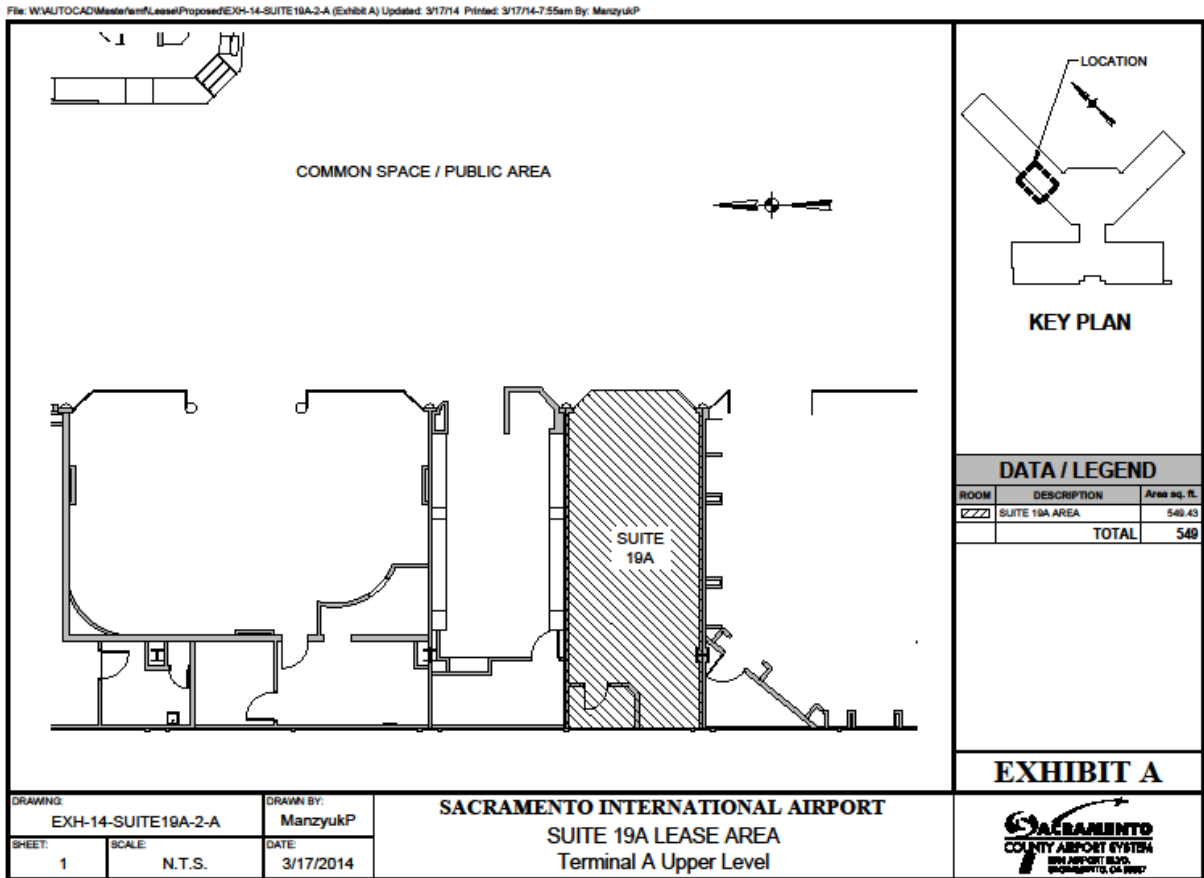


Exhibit A2 – Specialty Retail



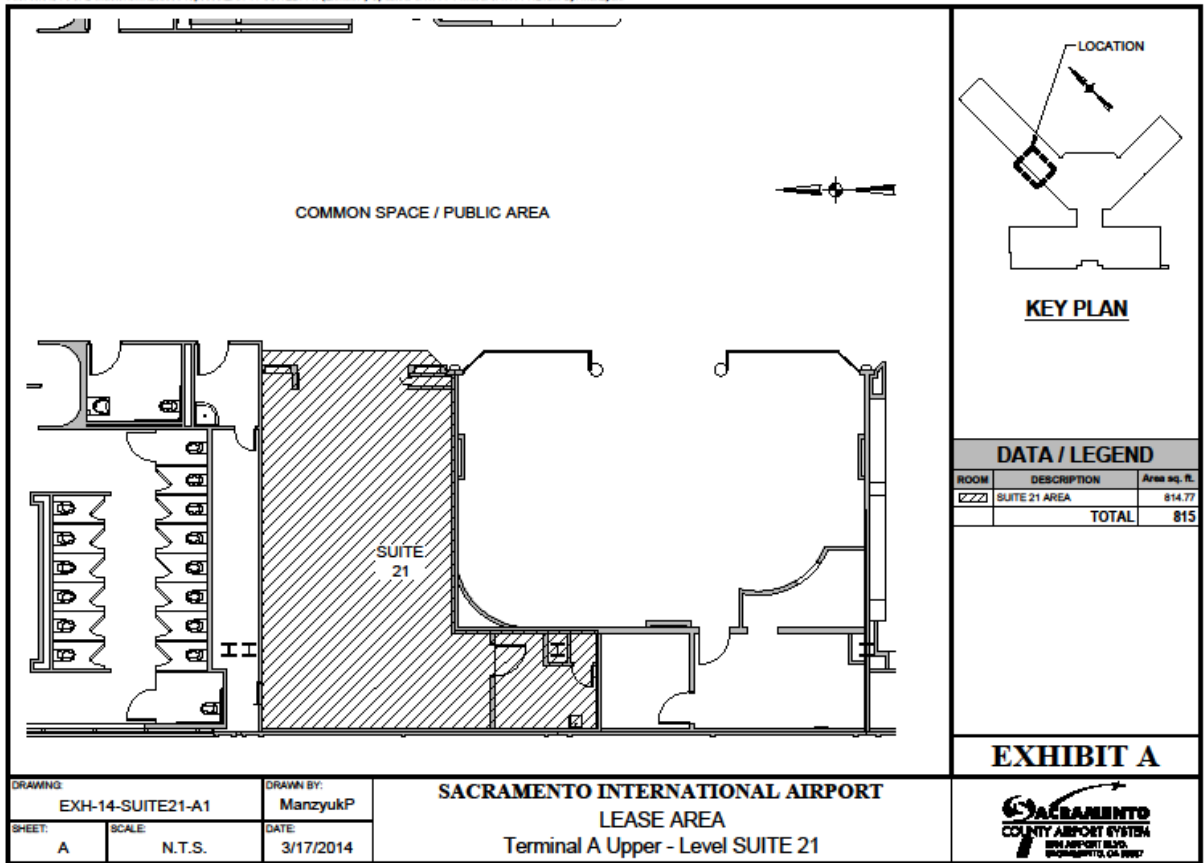
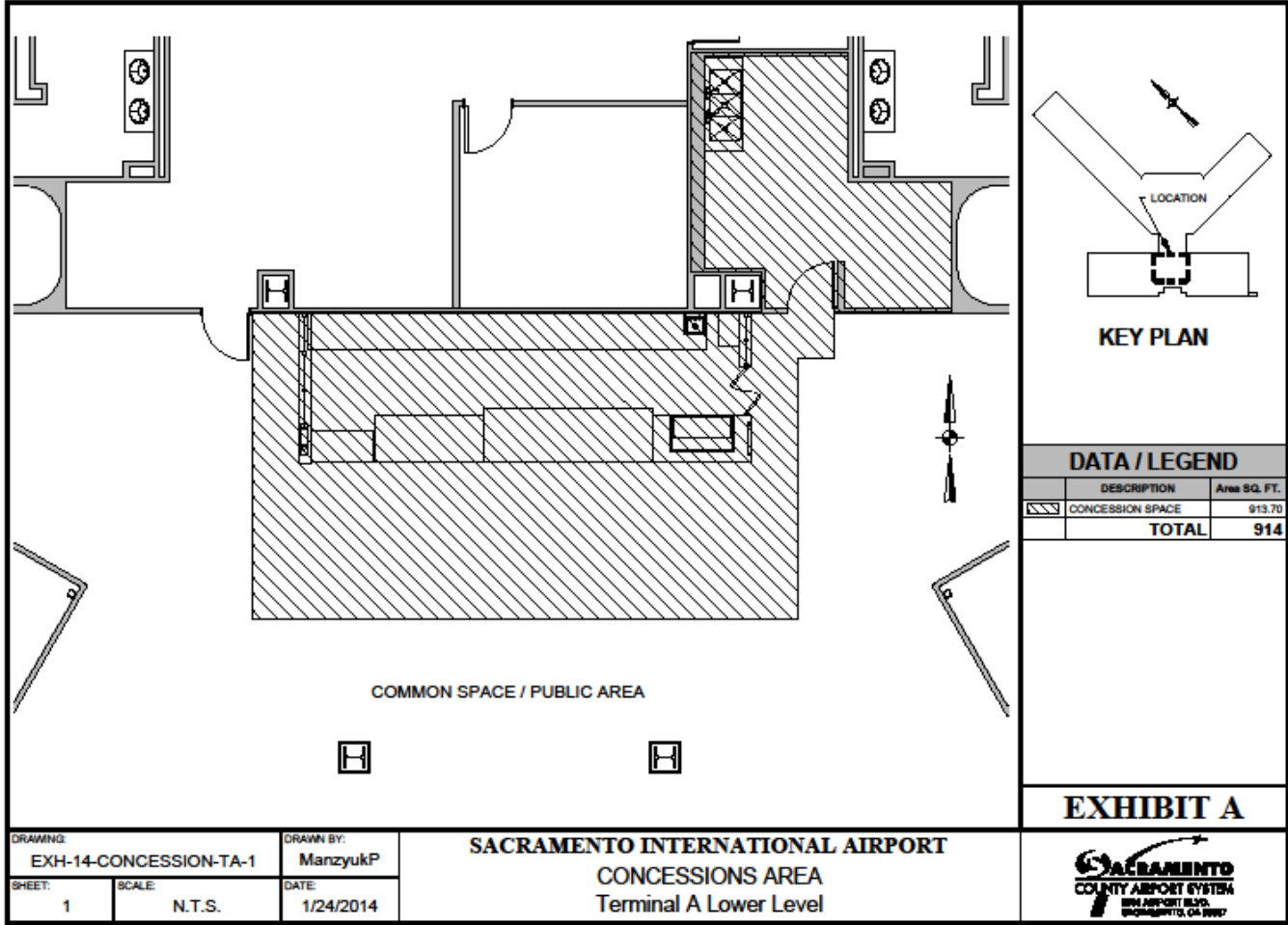


Exhibit A3 – Convenience

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Attachment 7

Financial Projections

The Proposer shall provide a Pro-forma Operating Statement for each concession location on which it is proposing, which shall indicate the Proposer's projected gross sales and expenses. A separate Pro-forma shall be prepared for each of the first five (5) years of operation, on the form provided as Attachment 7. The Pro-forma shall be evaluated by the Selection Committee in terms of reasonableness; demonstrated understanding of the proposed concept; viability of the proposed operation; and ability to fund continuing operations from cash flow generated by the business.

Please submit in writing the underlying assumptions and any additional documentation supporting sales projections for each brand/concept. Such information should not exceed one (1) 8.5" by 11" type-written page per brand/concept.

PRO FORMAS - TERMINAL A

Provide one pro forma for each concession concept

Proposer _____

Concept: Common Use Airport Lounge _____ Specialty Retail _____ Convenience _____

Area _____ (sq ft from concession space plan)

GROSS RECEIPTS (SALES)	Year 1		Year 2		Year 3		Year 4		Year 5	
		% of sales		% of sales		% of sales		% of sales		% of sales
Sales (by category):										
Common Use Lounge		%		%		%		%		%
Specialty Retail		%		%		%		%		%
Convenience		%		%		%		%		%
		%		%		%		%		%
Total Gross Receipts	\$ -	100%	\$ -	100%	\$ -	100%	\$ -	100%	\$ -	100%
		% of sales		% of sales		% of sales		% of sales		% of sales
Cost of Goods Sold (COGS)		%		%		%		%		%
Gross Profit		%		%		%		%		%
Other Income (please list):										
		%		%		%		%		%
		%		%		%		%		%
Total Income net of COGS		%		%		%		%		%
OPERATING EXPENSES										
Payroll		%		%		%		%		%
Payroll taxes and employee benefits		%		%		%		%		%
Percentage rent		%		%		%		%		%
Franchise or license fees		%		%		%		%		%
Repairs and Maintenance		%		%		%		%		%
Support Space rent		%		%		%		%		%
Office, storage, distribution expenses		%		%		%		%		%
Utilities		%		%		%		%		%
Insurance		%		%		%		%		%
Credit card fees		%		%		%		%		%
Licenses and permits		%		%		%		%		%
Administrative & General		%		%		%		%		%
Other operating expenses (please list):		%		%		%		%		%
		%		%		%		%		%
		%		%		%		%		%
		%		%		%		%		%
		%		%		%		%		%
		%		%		%		%		%
Total Operating Expenses	\$ -	%	\$ -	%	\$ -	%	\$ -	%	\$ -	%
EBITDA		% of sales		% of sales		% of sales		% of sales		% of sales
Earnings before Interest, Taxes, Depreciation and Amortization	\$ -	%	\$ -	%	\$ -	%	\$ -	%	\$ -	%
		% of sales		% of sales		% of sales		% of sales		% of sales
Interest, Depreciation, & Amortization Expenses		%		%		%		%		%
NET PROFIT OR LOSS BEFORE TAXES	\$ -	%	\$ -	%	\$ -	%	\$ -	%	\$ -	%
Annual Gross Sales per sq ft	\$		\$		\$		\$		\$	
Annual Gross Sales per Enplaned Passenger in Terminal B	\$		\$		\$		\$		\$	
Annual percent change in Gross Sales from prior year			%		%		%		%	

Attachment 8

Project Cost Analysis Form

Submit one page for each concession concept proposed.

COST CATEGORY	AMOUNT
Planning and Development (design, construction, inspection, etc.)	\$
Furniture, Fixtures and Equipment	
Opening Inventory	
Working Capital	
Miscellaneous Opening Expenses (deposits, licenses, airport employee badging, etc.)	
Pre-Opening Payroll & Training Expenses	
Reserve/Contingency	
Other (please list):	
Total Estimated Project Cost	\$

Sources of Funding	Amount
Total Funds Available	\$