### LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



HOST INTERNATIONAL, INC.

FOOD AND BEVERAGE

CONCESSION AGREEMENT

AGREEMENT NO. AL-415

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## LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® RESTATED AND AMENDED CONCESSION AGREEMENT (FOOD AND BEVERAGE)

THIS SIXTH AND RESTATED AMENDMENT, made and entered into as of the Hugh day of Lucy 2008, (Agreement) by and between the CITY OF ST. LOUIS (City), a municipal corporation of the State of Missouri and HOST INTERNATIONAL, INC. (Concessionaire), a corporation organized and existing under the laws of the State of Delaware.

THIS AGREEMENT is a complete restatement of and amendment to the Concession Agreement made the 31st day of January, 1967, and as amended by Addendum to Concession Agreement dated February 1, 1967, (The First Amendment), as further amended by an Extension of Concession Agreement for Food and Beverage Concession dated August 3, 1976, (The Second Amendment), as further amended by an Amendment to Concession Agreement for Food and Beverage dated April 16, 1979, (The Third Amendment), and as further amended by an Amendment to Concession Agreement for Food and Beverage dated April 1, 1987, (The Fourth Amendment), and as further amended by a Restated and Amended Concession Agreement dated January 9, 1997 (The Fifth Amendment) by and between the City of St. Louis, a municipal corporation of the State of Missouri and Host International, Inc., (previously known as Interstate Hosts, Inc.), a Delaware Corporation. Whereas, it is the intent of both parties upon execution of this Agreement, that the terms, covenants and conditions of the January 31, 1967 Concession Agreement as previously amended will no longer be in effect.

#### WITNESSETH, THAT:

WHEREAS, the City now owns, operates and maintains an international airport known as "Lambert-St. Louis International Airport®" (Airport), located in the County of St. Louis, Missouri;

WHEREAS, a Food and Beverage Concession at the Airport is essential for proper accommodation of the public;

WHEREAS, Concessionaire, since its initiation of operations at Lambert-St. Louis International Airport® under Concession Agreement dated January 31, 1967, has earned the confidence of the City and the traveling public and has demonstrated a high level of service in the food and beverage operations at the Airport;

WHEREAS, a major renovation of the West Terminal will require food and beverage facilities be designed, constructed, relocated, renovated and expanded;

WHEREAS, the City desires to maximize opportunities for disadvantaged, minority and women owned enterprises in the Food and Beverage Concession at the Airport as well as additional revenue and more favorable terms to the City;

WHEREAS, Concessionaire has agreed to enter into various business arrangements including subleases of a portion of the Premises in order to achieve and maintain an ACDBE participation level of forty percent (40%) of Concession Gross Revenue throughout the term of the Agreement;

WHEREAS, design and construction of said facilities and improvements will require Concessionaire to invest or cause to be invested not less than Thirteen Million Dollars (\$13,000,000.00) and Concessionaire has agreed to commit to such investment;

WHEREAS, Concessionaire has further agreed to refurbish the Premises no later than the end of year 2015 and has agreed to expend or cause to be expended not less than Three Million Dollars (\$3,000,000.00);

WHEREAS, BY THIS Agreement, Concessionaire waives all rights to any and all reimbursements and compensation from the City for the depreciated value of existing improvements and non-expendable equipment at the Airport.

NOW, THEREFORE, for and in consideration of the payments, promises and the mutual covenants and agreements herein contained and other valuable considerations, the City and the Concessionaire agree as follows:

#### ARTICLE I

#### DEFINITIONS

Section 101. Definitions. The following words and phrases shall have the following meanings:

- "Agreement" shall mean this concession contract for Food and Beverage service and any amendments thereto, duly approved by the City.
- "Airfield Operations Area" shall mean those areas of the Airport used for the landing, taking-off, movement, and parking of aircraft, as the same now exist or as the same hereafter may be added to, modified, changed, or developed.
- "Airport" as stated in the preamble hereof.
- "Airport Concession Disadvantaged Business Enterprise (ACDBE)" shall mean a concession that is a small business concern (i) that is at least fifty-one percent (51%) owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which fifty-one percent (51%) of the stock is owned by one or more such individuals; and (ii) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

- "Airport Properties Department" shall mean that department of the City of St. Louis Airport Authority that has as its primary responsibility the administration of all tenant, permittee, concessionaire and other space at the Airport, and shall be the Concessionaire's point of contact with the Airport on all issues related to this Agreement.
- "Applicable Percentage Fee" shall mean the product of (i) the Gross Revenue for each product category sold for the appropriate period multiplied by (ii) the percentage set out in Article V hereof for each product category.
- "Authority" shall mean the City of St. Louis Airport Authority, the City department responsible for managing and operating the Airport.
- "Build-Out or Build-Out Costs" shall mean costs incurred for the demolition/redevelopment of existing improvements and construction of new Improvements to the Premises, including (but not limited to) furnishings, fixtures and finishes including Removable Fixtures, costs of architectural design and engineering fees, outside project management, installation and preparation of all assets for their intended use, general contractors, sub-contractors, franchise fees, taxes, permits, insurance and construction bonds; but excluding the costs of interest during construction and internal costs of Concessionaire's employees.
- "City" as stated in the preamble hereof.
- "Commencement Date" shall mean the later of October 1, 2008 or first day of the month following the full execution of the Agreement by the City.
- "Concession" as stated in the preamble hereof.
- "Concession Plan" shall mean an agreed upon collection of brands existing or to be constructed in the Premises as agreed upon by Host and the Director and incorporated herein as Exhibit "C".
- "Concessionaire" as stated in the preamble hereof.
- "Contract Year" shall mean a twelve (12) consecutive month period commencing on the Commencement Date, and each twelve (12) month period thereafter.
- "Director" shall mean the Director of Airports of the City of St. Louis Airport Authority or his designee, and incorporates the granting of approval requirements of Section 1415 hereof.
- "Good Faith Efforts" shall mean efforts to achieve an ACDBE goal or other requirement that, by their scope, intensity and appropriateness to this objective, can reasonably be expected to meet the program requirements.
- "Gross Receipts" shall mean the total revenues from all sources and all types at this Airport under the Agreement performed by Concessionaire, its subcontractors, subsidiaries, associated

companies or otherwise, regardless of the point of origin or delivery of the order; and, only the following may be excluded or deducted, as the case may be, from Gross Receipts:

- federal, state, county and municipal sales taxes or other sales taxes separately stated and collected from customers;
- cash or credit refunds given to customers for returned products or unperformed services purchased at the Airport;
- receipts in the forms of refunds from or the value of merchandise, supplies or equipment returned to shippers, suppliers or manufacturers;
- sale or trade-in value of any equipment or fixtures that were sold or transferred from the Premises provided the sale or transfer was approved for removal by the Director and the equipment or fixture was owned by Concessionaire.
- Revenues derived from payments received by Concessionaire for loans made to Sublessees, fees charged for services provided Sublessees, or other fees assessed by the Concessionaire for the use of Airport facilities for which Concessionaire has a direct lease, so long as the charge is assessed in accordance with the agreement.

"Hazardous Materials" means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum, or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under Environmental Laws, pesticides regulated under Environmental Laws, and any hazardous waste, toxic, or dangerous substance or related material, including any material defined or treated as a hazardous substance, hazardous waste, toxic substance, or contaminant (or comparable term) under any of the Environmental Laws.

"Improvements" shall mean all construction and fixtures built or erected by the Concessionaire, and forming a part of and which are permanently affixed or attached to any portion of Airport real property or improvements within the Premises.

"Local Concept" shall mean concepts or products that are reflective of the St. Louis metropolitan area that offer high quality products and high levels of customer service that will enhance the Airport's concession program.

"Minimum Annual Guarantee" as stated in Article V, Section 502 hereof.

"Nationally Branded" shall mean concepts or products that are located geographically across the forty eight (48) contiguous U.S. states and/or participate in nationwide advertising, promotional, and/or marketing campaigns so that they are immediately recognized by a majority of the public.

"Notice" shall mean a communication between the parties to this Agreement performed in accordance with the requirements of Section 1401. Notice.

- "Percentage" shall mean that designated portion of Concessionaire's Gross Receipts that are payable to the City.
- "Percentage Fee" shall mean the product of (i) Gross Receipts multiplied by (ii) Percentages set out in Article V, Section 502 hereof.
- "Premises" shall mean a location or locations described in Section 201 that have been designated by the City for the sale of Concessionaire's products or storage spaces, and for other uses provided specifically herein, together with all Improvements thereon.
- "Regionally Branded" shall mean concepts or products that are representative of any United States region, such as; Midwest, West Coast, East Coast, and so forth, that are immediately recognized by the public living in those areas.
- "Refurbishment" shall mean to upgrade the Premises and return the Premises to original condition or the conversion of food and beverage units to new concepts, including modernization/redesign by replacement of furnishings, fixtures and finishes and construction of improvements.
- "Refurbishment Costs" shall mean costs incurred to upgrade the Premises and return the Premises to original condition or convert food and beverage units to new concepts, including modernization/redesign by replacement of furnishings, fixtures and finishes and construction of improvements, costs of architectural design and engineering fees, outside project management, installation and preparation of all assets for their intended use, general contractors, subcontractors, franchise fees, taxes, permits, insurance and construction bonds; but excluding the costs of interest during construction and the internal costs of Concessionaire's employees.
- "Removable Fixtures" shall mean all furnishings, equipment and fixtures installed by the Concessionaire that are not permanently affixed to any wall, floor or ceiling in the Premises.
- "Unamortized Investment" shall mean the undepreciated value of Concessionaire's investment in Build-Out Costs less the cost of Removable Trade Fixtures. The Build-Out Cost shall be fully amortized on a straight line basis over the term of this Agreement.

#### ARTICLE II

#### **PREMISES**

Section 201. <u>Premises</u>. City hereby permits the Concessionaire to install, maintain and operate at the locations on Airport property including the Airport terminals and concourses in accordance with rights granted under Section 301. <u>Rights</u>, as described in **Exhibit A**, attached hereto and made a part hereof. The rights granted in Section 301 hereof must only be exercised within the Premises.

The Director shall have the right to add, substitute, relocate or delete portions of the Premises upon reasonable notice to the Concessionaire. The City will not be liable or responsible for any loss whatsoever, including without limitation, any inconvenience or loss by the Concessionaire of work time, profit or business, actual, incidental, consequential or special damages resulting from these changes to the Premises. In the event that the Premises are relocated or reclaimed Concessionaire will be reimbursed the Unamortized Investment of the relocated Premises. In addition, the City will make good faith efforts to find replacement space that is of equal size and value as that of the reclaimed Premises. If replacement space is developed by Concessionaire with less than five years remaining on the contract term then the Build-Out Costs of the replacement space will be amortized on a straight-line basis over a ten year life – with any Unamortized Investment being paid to Concessionaire upon contract termination. If replacement space is not located and developed by Concessionaire the MAG will be proportionately reduced, based upon the percentage of Gross Receipts of the Premises compared to the total Gross Receipts generated throughout the Airport during the prior twelve (12) month period, to reflect the loss of the Premises.

Concessionaire accepts the Premises "AS IS" with no warranties or representations of any kind, expressed or implied, either oral or written, made by the City or any of its agents or representatives. City without limitation expressly disclaims and negates as to the Premises; a) any implied or expressed warranty of merchantability; b) any implied or expressed warranty for a particular purpose; and c) any expressed or implied warranty with the respect to the Premises or any portion thereof.

Section 202. Access. Subject to the terms, covenants and conditions of this Agreement hereof, Concessionaire has the right of free access, ingress to and egress from the Premises for Concessionaire's employees, agents, guests, patrons and invitees.

Section 203. <u>Changes to the Airport</u>. The City reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of the Concessionaire without interference or hindrance.

#### ARTICLE III

#### **CONCESSION RIGHTS**

Section 301. <u>Rights.</u> City hereby grants to Concessionaire, subject to and in accordance with all of the terms, covenants, warrants and conditions of this Agreement the nonexclusive right, license and privilege and Concessionaire hereby assumes the obligation to design, construct, operate, manage and maintain a Food and Beverage Concession within the Premises and the sale of such merchandise as has been approved by the Director.

Section 302. <u>Limitation of Rights</u>. Concessionaire is not granted the right to offer for sale any merchandise, products, or services, or engage in any other business or commercial activity on the Airport that is not specifically granted under this Agreement. If any services or products, other than those specifically mentioned in Section 301 are offered for sale by Concessionaire, Concessionaire will cease and desist from any further sale or provision thereof immediately and

not later than upon receipt of written notice from the Director. With the consent of the Director, Concessionaire will be permitted to operate food and beverage operations within airline clubs in the Airport provided it has executed an agreement to do so with the appropriate airline that owns and operates the club. With the consent of the Director, Concessionaire will also be permitted to manage and/or operate food and beverage vending machines in the public areas of the Airport. The Airport reserves the right to pursue food and beverage vending as a separate concession.

Concessionaire shall not engage in advertising or provide an area for the distribution of advertisements on behalf of any company other than itself (or the brands which it operates under certain license and/or franchise agreements). City shall be the sole judge whether the conduct of Concessionaire's representative in the solicitation of business constitutes a violation of this paragraph, and upon notice from the City, Concessionaire shall forthwith take all steps necessary to eliminate the undesirable condition. Notwithstanding, Concessionaire may advertise and promote its offerings (including special promotions) in an attempt to maximize Gross Receipts and provide the highest customer satisfaction for Airport passengers.

This Agreement grants no real or implied rights to any concession privileges on the Airport other than in the designated areas.

Section 303. Proprietary Rights. The City reserves the right to enter into any marketing revenue producing agreements which grant exclusive advertising/sponsorship rights for certain products, brands or services ("official brands") at the Airport. To the extent permitted by law, Concessionaire shall not sell, serve, advertise, promote or display at the Airport within or outside its Premises any products, brands or services that compete with designated official brands. If the City enters into any marketing revenue producing concession agreement, Concessionaire will agree to sell, advertise, feature, promote and display the official brand or brands covered under the advertising/sponsorship agreement, if permitted by Section 301 above, and no others within the same product category. The above will not require Concessionaire to change any of its corporate supply agreements or violate the terms of any of its franchise, procurement and license agreements. For example, Concessionaire currently has a national agreement to offer and sell Coke products in its facilities and this Section 303 will not impact Concessionaires ability to continue to sell Coke products.

#### ARTICLE IV

#### **CONCESSION TERM**

Section 401. <u>Term.</u> The term of this Agreement shall commence on the later of October 1, 2008 or first day of the month following full execution of the Agreement by the City and shall expire on December 31, 2020 unless sooner terminate in accordance with other provisions of this Agreement. The commencement and expiration dates shall be written in the spaces below.

"Commencement Date"		
"Expiration Date"	<b>December 31, 2020</b>	

Section 402. Surrender of Possession. No notice to quit possession at the expiration date of the term of this Agreement shall be necessary. Concessionaire covenants and agrees that at the expiration date of the term of this Agreement, or at the earlier termination hereof, it will peaceably surrender possession of the Premises, in as good condition as that existing at the time of Concessionaire's initial entry upon the Premises, reasonable wear and tear, acts of God, and other casualties excepted, and the City shall have the right to take possession of the Premises with or without due process of law.

Section 403. Holdover Provision. If Concessionaire shall, with the prior written approval of the Director, holdover after the expiration of the term of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be a tenant at will on a month-to-month basis. During such month-to-month tenancy, Concessionaire shall pay to City the same Concession Fees as set forth herein, unless different fees shall be agreed upon by the Director on behalf of the City and the Concessionaire, and shall be bound by all terms, covenants and conditions of this Agreement.

# ARTICLE V FEES AND RENTALS

Section 501. General. Concessionaire, for and in consideration of the rights and privileges granted herein, agrees to pay the concession fees and the other fees and charges set forth below in Sections 502, 505, 507, 510, and 512 and the utilities described in Section 804 of this Agreement, without demand during the term of this Agreement.

#### Section 502. Concession Fee Payments.

A. Concessionaire agrees to pay to City for each Contract Year, a sum equal to the greater of the Minimum Annual Guarantee (hereinaster referred to as MAG) as set forth in paragraph (B) below or the aggregate of the Applicable Percentage Fees for each product category as set out below and which shall be applied to the Gross Receipts, as defined, of Concessionaire and each Sublessee, whether the owner of one or multiple units, separately, for each Contract Year or portion thereof.

#### FOOD AND NON ALCOHOLIC BEVERAGES

\$0 - \$4 Million	10%
\$4 - \$8 Million	11%
Over \$8 Million	12%
Employee Cafeteria	0%

#### ALCOHOLIC BEVERAGES

\$0 - \$2 Million	15%
\$2 - \$4 Million	16%
Over \$4 Million	17%

#### APPROVED MERCHANDISE

Sold in Terminals

20%

**INFLIGHT CATERING** 

**Catering Permit** 

7%

OTHER CATERING / MEETING ROOMS / VENDING

Food & Beverage

7%

Room & Equipment Rentals 25%

**Vending Commissions** 

25%

In the event that Host shall become the Vending operator under a separate agreement the terms of that agreement shall prevail.

Catering permit applicable percentage fee will be subject to adjustment based on the prevailing Applicable Percentage Fees negotiated with other in-flight catering companies operating at the Airport.

B. For Contract Year One the MAG shall be Two Million Seven Hundred Seventy-Five Thousand Dollars (\$2,775,000.00). For Contract Year Two and each remaining Contract Year the MAG shall be of eighty percent (80%) of the preceding Contract Year's Applicable Percentage Fee. In no event will the MAG be reduced below the year one MAG (except as permitted in the Agreement when the Premises are reduced and certain facilities are eliminated).

Section 503. <u>Payment.</u> Payments for each month of each Contract Year shall consist of (a) an amount equal to 1/12 of the MAG for the applicable Contract Year paid in advance on or before on or before the first day of each month, and (b) an amount equal to the portion of the Percentage Fee applied to the Gross Receipts for the previous month to be paid on or before the 20<sup>th</sup> day of the second month and each succeeding month during the term of the Agreement. (See Article V, Section 505 <u>Unpaid Fees</u> for the amount of any applicable service charge and Article XIII LIQUDATED DAMAGES.)

#### Section 504. Reports.

A. Concessionaire shall submit to the City by the 20th day of the second and each succeeding month of each Contract Year hereof, two copies of an accurate statement of Gross Receipts. The Director reserves the right to request Concessionaire to provide documentation in a manner satisfactory to the Director, the specifics of all refunds deducted from Gross Receipts. The statement of Gross Receipts shall separately state Gross Receipts by location and be certified as accurate by an officer of the Concessionaire. The final statement of Gross Receipts will be due by the 20th day of the month following expiration of this Agreement. Concessionaire shall report Gross Receipts on a form approved by the Director. The City reserves the right to use these statements of Gross Receipts as a source of information to bidders in a future solicitation for bids or request for proposals for this concession.

- B. Concessionaire shall submit an audited report of Gross Receipts within one hundred twenty (120) days following the conclusion of each Contract Year. These audit reports must be prepared by an independent Certified Public Accountant. The audit reports shall, at a minimum, certify the accuracy of (i) reported total accumulated Gross Receipts; and (ii) the aggregate amount of Gross Receipts and/or goods and services attributable to ACDBE participants. The audit reports shall also include a schedule showing the total of actual Concession Fee payments to the City during the Contract Year and shall state an opinion as to the correctness of the computation of the Concession Fee Payments without exception.
- C. Within thirty (30) days after the close of each Contract Year, except the last Contract Year, Concessionaire shall provide the City with an estimate of projected monthly Gross Receipts for the subsequent Contract Year.
- D. The City is required to report ACDBE utilization to the FAA. Concessionaire shall be required to submit to the City by the 20th day following each calendar quarter (April 20, July 20, October 20 and January 20), two copies of an accurate statement of ACDBE utilization. Concessionaire shall document in a manner satisfactory to the Director the specifics of all Gross Receipts attributable to ACDBEs in addition to purchases from certified ACDBEs. This statement shall be certified as accurate by an officer of the Concessionaire. Concessionaire shall report ACDBE utilization on a form approved by the Director. The City reserves the right to use these statements as a source of information to bidders in a future solicitation for bids or request for proposals for this concession.
- E. Delivery of an audit report containing a qualified opinion, an adverse opinion or a disclaimer of opinion as defined in the Statement on Auditing Standards, or as same may from time to time be amended or superseded, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, shall be deemed to be a default pursuant to Section 1101 (B) (10) herein. In the event the annual audit indicates that there was an underpayment of any fees payable to the City, Concessionaire shall immediately pay the amount of the underpayment to the City. In the event of an overpayment, Concessionaire shall deduct the amount of the overpayment from the next scheduled Concession Fee Payment. If an overpayment occurs during the last contract year, the City will pay the amount of the overpayment to Concessionaire within 30 days of receipt of the audit report.
- F. Concessionaire shall keep, and make available to the City, such records (copies of subcontracts, paid invoices, documentation or correspondence) as are necessary for the City to determine compliance with the ACDBE participation requirement. The City reserves the right to investigate, monitor and/or review records for compliance. Concessionaire shall submit quarterly ACDBE activity reports to the City in a form approved by the Director.

Section 505. <u>Unpaid Fees</u>. All unpaid fee payments due the City hereunder shall bear a service charge of 1½% per month if same is not paid and received by the City on or before the 20th of

the month in which said payments are due. Concessionaire agrees that it shall pay and discharge all costs and expenses including attorney fees and litigation cost incurred or expended by the City in collection of said delinquent amounts due, including service charges.

Performance and Payment Bond. Concessionaire agrees to furnish a Performance and Payment Bond in a form acceptable to City in the principal amount equal to Two Million Dollars (\$2,000,000.00) prior to execution of this Agreement. Such bond or other form of security agreed to by the City, shall remain in full force and effect throughout the term of this Agreement and shall extend at least one hundred eighty (180) days following the expiration or early termination of this Agreement. In the event that said bond should expire prior to expiration or early termination of this Agreement, Concessionaire warrants, covenants and agrees to provide City a renewal bond sixty (60) days prior to expiration date of the expiring bond. Such bond will guarantee the payment of all fees and performance of all other terms, covenants and conditions of this Agreement. The Performance and Payment Bond will be in the form of standard commercial guaranty bond running to the City, written by a surety company authorized to do business in Missouri and (i) having a "Best" key rating of not less than A and with a "Best" Financial Size Category of not less that Class VIII and (ii) shown on the most recent U.S. Treasury Circular No. 570 as having an "underwriting limitation" of at least the amount of the penal sum of the bond. The bond will be kept in full force and effect during the term hereof. City may agree to another form of deposit which will provide equal protection of City's interest. If City cashes the bond or other form of deposit agreed to by the City, Concessionaire agrees to furnish a replacement Performance and Payment Bond or other form of deposit in the same principal amount within twenty (20) days.

Section 507. Prompt Payment of Taxes and Fees. Concessionaire warrants, covenants and agrees to pay promptly all lawful general taxes or payments in lieu of taxes, special assessments, excises, license fees, permit fees, and utility service charges of whatever nature, applicable to its operation at the Airport, and to take out and keep current all licenses, municipal, state or federal, required for the conduct of its business at and upon the Airport or under this Agreement, and further covenants and agrees not to permit any of said taxes, payments, assessments, fees and charges to become delinquent.

Section 508. Accounting Records and Reports. During the term hereof, Concessionaire shall make available in the St. Louis area true, accurate, complete and auditable records of all business it conducts at the Airport. Concessionaire shall make same records available in the St. Louis area for one (1) year following the expiration or early termination of this Agreement. These records shall be accessible during usual business hours to the City or it's duly appointed agents or auditors. Concessionaire is not required to maintain its records in the St. Louis area, as provided above, if it agrees to pay for all costs associated with conducting audits performed by the City, or it's duly appointed agents or auditors, at the Concessionaire's place of records.

#### Section 509. Audit.

A. City, or its duly appointed agents or auditors, reserves the right to audit Concessionaire's, subcontractor's, or others doing business under this Agreement, books, records and receipts at any time for the purpose of verifying the Gross Receipts hereunder. If the results of the audit(s) reveal a discrepancy of more than five percent (5%) between Gross

Receipts reported by Concessionaire and Gross Receipts determined by the audit, the cost of the audit shall be borne by Concessionaire.

B. If as a result of an audit by any governmental entity, Concessionaire is required to restate Gross Receipts as defined herein, Concessionaire will, within thirty (30) days of finalization of the audit, report the change in Gross Receipts to the Airport. If the change in Gross Receipts results in Concessionaire owing additional Concession Fees Concessionaire will, within thirty (30) days, remit to the City the additional Concession Fees.

Section 510. <u>Additional Fees, Charges and Rentals</u>. Concessionaire shall pay additional fees, charges and rentals under the following conditions:

- A. If the City has paid any sum or sums or has incurred any obligations or expenses for which Concessionaire has agreed to pay or reimburse the City for; or
- B. If the City is required or elects to pay any sum or sums or incurs any obligations or expenses because of the failure, neglect or refusal of Concessionaire to perform or fulfill any of the terms, covenants or conditions of this Agreement.

Such payments shall include all interest, costs, damages and penalties in conjunction with such sums so paid or expenses so incurred and may be added to any installment of fees, charges and rentals thereafter due hereunder. Each and every part of such payment shall be recoverable by the City in the same manner and with like remedies as if it were originally a part of the basic fees, charges and rentals, as set forth herein.

For all purposes under this paragraph, and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum or sums by the City for any work done or material furnished shall be prima facie evidence against Concessionaire that the amount of such payment was necessary and reasonable.

Section 511. <u>Notice, Place and Manner of Payment.</u> Payments to the City shall be made to the Airport Administrative Office, at the Airport, or at such other place as the City may hereafter notify Concessionaire and shall be made in legal tender of the United States.

Section 512. <u>Marketing and Promotion</u>. The Airport reserves the right to establish a Marketing Fund to be controlled by the Airport or its designated agent for the purpose of advertising, promotion and other activities appropriate for marketing concessions and services at the Airport. Concessionaire agrees to fully participate in said marketing fund and pay any fees or assessments levied by said Marketing Fund. The amount of annual Marketing Fund contributions will be limited to the lower of the amount charged to other concessionaires at the Airport or 0.25% of Concessionaires Gross Receipts.

#### ARTICLE VI

#### CONCESSIONAIRE'S OPERATIONS

#### Section 601. Standards of Service.

- A. Deliveries of supplies, cash and coin to the Concession Premises shall be made at such times, by such routes/modes and at such locations as the City may reasonably approve.
- B. The Premises shall be kept clean, neat, and businesslike and in an orderly condition at all times and Concessionaire shall provide for timely disposal of trash and debris at locations designated by the City.
- C. Concessionaire shall ensure that each customer receives prompt, efficient and courteous service. In conjunction with this requirement, Concessionaire shall ensure that each location has adequate staff to provide this level of service. Concessionaire shall ensure that all food and beverage locations have adequate staff available during normal peak operating hours and during any special or emergency circumstances. Concessionaire shall use reasonable efforts to employ an adequate number of bilingual personnel to serve non-English-speaking patrons as market demand may warrant.
- D. Concessionaire shall assure that its agents and employees do not engage in the solicitation of or use pressure sales tactics for products offered on or about the Airport.
- E. Operations shall fully comply with all Federal Aviation Administration (FAA) regulations including security requirements, Airport rules and regulations and Airport security plan. Employees shall be suitably badged in accordance with Airport security procedures and regulations and shall fully comply with the Transportation Security Administration's (TSA) regulation 1542 regarding conduct and access to the Airfield Operations Area (AOA).

#### Section 602. Hours of Operation.

- A. The minimum hours of operation for serving the public shall be ninety (90) minutes before departure of the first scheduled flight each day and until the departure of the last flight out each evening in pre-security areas of the terminals. In post security areas of the terminals hours of operation shall be sixty (60) minutes before departure of the first scheduled flight each day until the departure of the last flight out each evening. Concessionaire may not change the hours of operation without written application to, and the written approval of, the Director. The Director may require Concessionaire to change its hours of operation to reflect changing operational circumstances at the Airport. The initial agreed upon hours of operation for each facility are attached and documented in Exhibit "E" titled "Hours of Operation".
- B. Concessionaire will insure that it provides adequate service to accommodate the traveling public in a first class manner.

- C. In the event that scheduled flights are delayed past the normal last scheduled departures due to weather or other causes, Concessionaire will remain continuously open and provide all services as provided for in the Agreement to accommodate the needs of the public and employees until such time that the delayed flights have departed, been canceled or otherwise directed by the Director.
- D. Concessionaire shall operate, at the minimum, one twenty-four (24) hour food unit each day of the week. The Director may require additional twenty-four (24) hour units to reflect changing operational circumstances at the Airport.
- E At the time of closing for each food and beverage unit, Concessionaire shall provide, and display, professionally made signs directing customers to the nearest twenty-four (24) hour unit(s). The said signs shall be placed in an area visible to the public inside the Premises.
- F. On or before the fifteenth (15<sup>th</sup>) day of the second calendar month and each month thereafter, Concessionaire shall submit to the City a report generated from Concessionaire's point-of-sale (POS) system, or by such other means as approved by the Director, showing the time of the first and last Gross Receipts generated in each facility for the specified period.

Section 603. <u>Promotion</u>. Concessionaire warrants, covenants and agrees that it shall take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder. Concessionaire shall not divert, cause or allow any business to be diverted from the Airport by referral or any other method. Any action taken by Concessionaire to diminish the Gross Receipts of Concessionaire under this Agreement shall constitute a material breach hereof and a cause for the termination of this Agreement by the City.

#### Section 604. Personnel.

A. Concessionaire shall maintain a sufficient number of trained personnel on duty to insure that Concessionaire's customers shall receive prompt and efficient service at all times. All employees will wear name tags or badges so that they may be identified by the public and indicate the fact and nature of their employment. Concessionaire shall require its employees (except managerial and supervisory employees) to wear appropriate uniforms. Uniforms will be clean, neat, and worn according to company standards during the entire time the employee is on Airport property. Concessionaire shall employ only properly trained, efficient, pleasant, neat, clean and courteous personnel, each of whom shall be proficient in the duties to be performed in the operation of this Concession. Concessionaire agrees that it will be responsible for ensuring that its employees abide by all applicable laws, rules and regulations. Concessionaire shall prohibit and restrain its agents, servants and employees from loud, noisy, boisterous or otherwise objectionable behavior. Upon objection from the Director concerning the conduct or appearance of any such persons, Concessionaire shall immediately take all steps necessary to remove the cause of the objection.

B. Concessionaire, at its cost, acknowledges and agrees that it shall conduct employee background checks of each of its personnel if required by the FAA, TSA and/or the Airport. Concessionaire recognizes, and agrees, that security requirements may change and Concessionaire agrees that it shall comply with all such changes throughout the term of this Agreement.

Concessionaire understands, and agrees, that fines and/or penalties may be assessed by the FAA or the TSA for Concessionaire's noncompliance with the provisions of the Transportation Security Administration's regulation 1542 as amended or other applicable laws or regulations. Concessionaire shall promptly reimburse the City (within 30 days of the City's request) for any fines or penalties paid by the City due to Concessionaire's noncompliance with said laws or regulations.

- C. Employees of Concessionaire are expected to be able to assist Airport users with way-finding within the Airport. Concessionaire shall ensure that each of its employees (i) have information regarding the locations of other concessionaires, restrooms, elevators, airlines, gates, information desks and other facilities within the Airport and provide such information upon request and with courtesy and dispatch, and (ii) have a list of emergency and other important telephone numbers as well as other means through which such employees can respond to customers' requests for information.
- D. City shall have the right to review and comment upon Concessionaire's customer service and other training programs. Each hourly associate of Concessionaire shall be required to complete all of these training programs. Concessionaire shall submit to the City on a quarterly basis, a summary report of all training programs successfully completed by each associate.
- E. Smoking is permitted only in designated smoking lounges. Concessionaire will not permit any employee to smoke in any portion of the Premises. Employees may not use the smoking lounges except during their authorized breaks. Employees may not stop at smoking lounges if they are transporting any property of Concessionaire. If smoking is prohibited in the Airport, Concessionaire will enforce the non-smoking policy.

Section 605. Onset of Service. Concessionaire shall be solely liable and responsible for all costs and expenses pertaining to the design, construction, acquisition, installation, replacement, relocation and maintenance of the Improvements, Removable Fixtures and equipment as is necessary to provide service pursuant to this Agreement. Concessionaire has submitted a Concession Plan and development schedule, subject to the approval of the Director, for the efficient transition of service from any previous concessionaire or concept. Concessionaire shall be responsible to coordinate the execution of the transition, in accordance with the approved development schedule to assure a smooth transition of service with the minimum amount of disruption of service to the traveling public and other users at the Airport.

Concessionaire will be responsible for the cost of removing the old elevator in the ticket level, presecurity kitchen. Concessionaire is also responsible for the cost to purchase and install a new

elevator. Concessionaire has completed an environmental assessment and found no immediate indication of contamination. If during installation contamination is found, Concessionaire will perform any needed remediation as required by Exhibit F. Upon installation, the new elevator will become the property and the responsibility of the City. Concessionaire will have the right to use the elevator for the purpose of moving people and products between the lower level and the kitchen area.

#### Section 606. Pricing.

- A. Concessionaire shall charge fair, reasonable and nondiscriminatory prices that are attractive to the public and no more that ten percent (10%) over the prices charged at street locations. Concessionaire is encouraged to offer the same prices as street locations. For purposes of this Agreement, the term "street location" shall mean the regular price of the product or service at a non-Airport location or comparable location, determined as follows:
  - 1) If an entity of the same business, franchise or trade name as Concessionaire operates in a non-Airport location within the greater St. Louis metropolitan area, the price charged for a product shall be no more than 10% over the average price of the same product at three non-Airport locations designated by Concessionaire and approved by the Director. Requests for changes to the comparable location or locations for the determination of street pricing and the reasons for such changes shall be provided to the Director for approval and shall become effective only upon receipt of the Director's approval.
  - 2) If an entity of the same business, franchise or trade name as Concessionaire does not operate within the greater St. Louis metropolitan area, the street price for a product shall be no more than ten percent (10%) over the average price of the product at three non-Airport locations of the same business, franchise or trade name, as agreed to by the Director and Concessionaire.
  - 3) If a product is not available from an entity of the same business, franchise or trade name as stated in A1) and A2) hereof, the street price for such product shall be determined by reference to a range of the regular prices of three (3) separate businesses for such product, of comparable nature, ambiance and product and service lines, within the greater St. Louis metropolitan area as agreed to by the Director and Concessionaire.
  - 4) If Concessionaire is a franchisee or retail outlet of an entity with a national pricing structure identical for all franchisees or outlets, the street price for a product shall be determined in accordance with such pricing structure. Products containing selling prices printed by the manufacturer are excluded and shall not be sold for more than published prices.

Where an identical product is not available at an agreed comparable location, any difference in size or quality shall constitute a price differential. Concessionaire shall submit a menu for each location along with the prices to be offered. Concessionaire shall also submit a list of comparable locations and prices which support the pricing to be charged by Concessionaire. Concessionaire shall not begin operation of a new facility without the Director approvaing the comparable locations, menus and pricing in accordance with Section 606 A of this Agreement.

- B. No less than one (1) time per Contract Year, Concessionaire shall conduct, or shall cause to be conducted, a price comparison of current products available within the Premises. The price comparison shall compare the price of current products available at the Airport with the price at non-Airport comparable locations as described in this Section 606. In the event of noncompliance with the street pricing requirements herein, Concessionaire shall bring all products into compliance with the pricing requirements within seven (7) days after such noncompliance is identified. The Director reserves the right to independently compare Concessionaire's prices to the agreed upon comparable non-airport location prices and if prices are determined to be more than 10% above street, require Concessionaire to reduce prices based upon its documented comparison.
- C. Concessionaire shall not increase any prices without prior written approval of the Director. All new products are subject to the pricing requirements of Section 606 hereof and may be proposed at any time.
- D. Concessionaire is permitted, but not required, to offer discounted prices to employees of the City and other Airport employees. Before implementing a discount policy Concessionaire shall first provide thirty (30) days advance notice to the Director. The notice shall provide the details surrounding the discount policy (e.g., who it covers, how much is the discount, what stores participate, etc). The Director will not unreasonably withhold approval to implement the policy. In addition, discounts may be changed, modified or discontinued with thirty (30) days notice to the Director.

Section 607. <u>Manager</u>. Concessionaire shall at all times retain one or more qualified, competent and experienced manager(s) who shall manage and supervise the operations and the facilities and represent and act for Concessionaire. The manager(s) shall be available during regular business hours. A responsible subordinate shall be in charge and available at all times during the manager's absence.

Section 608. <u>Conflicts</u>. Concessionaire shall monitor the movement of its vehicles or equipment to minimize conflict with other functions and users of the Airport and shall coordinate its use of the Airport with other users.

Section 609. Record Keeping. Concessionaire agrees to provide a system for the collection of all monies and provision of accounting, audit and statements of Gross Receipts as required by Article V of this Agreement. This system shall be capable of providing comprehensive records, in a format acceptable to the Director, of daily, monthly and annual sales of Concessionaire and ACDBE participant(s) under this Agreement (these records are to be retained by

Concessionaire). Concessionaire must also maintain records that document, in a format acceptable to the Director, the portion of Gross Receipts attributable to ACDBE participants.

Section 610. <u>Transition Period</u>. If applicable, during any future transition of the Food and Beverage Concession to another Concessionaire, the incumbent Concessionaire hereby warrants, represents, covenants and agrees that Concessionaire shall use its best efforts to assure a smooth transition and agrees to closely coordinate the planning and execution of the transition with the Director.

#### Section 611. Operation.

- A. Concessionaire shall be responsible for all aspects of the management and operation of this concession. Further, Concessionaire shall provide and be responsible for all employees and necessary components of the operation, including inventory, fixtures, equipment and supplies.
- B. Concessionaire shall, no later than the fifteenth (15<sup>th</sup>) day of each month during the term of the Agreement, provide to the City a report or reports and affiliated records as required, that details the maintenance work performed by or on its behalf, in maintaining the Premises. Reports shall include, but not be limited to, grease trap service, hood and duct cleaning, pest control service and scheduled drain cleaning.
- C. The City shall not be responsible for any equipment, Improvements, supplies or fixtures used, maintained or stored on the Premises, nor will it be responsible for any damage or loss to any such items resulting from any cause whatsoever including, without limitation, flood, fire, explosion, vandalism, casualty, or other causes outside the direct control and responsibility of the City.

#### Section 612. Communication.

- A. At the Airport Properties Department's discretion, Concessionaire's local manager shall schedule monthly or quarterly meetings with the appropriate representative of the Airport Properties Department and the DBE Program Office to discuss sales, ACDBE participation and any other relevant issues which may affect Concessionaire's operation at the City. Concessionaire shall also be available for meetings at other times as necessary.
- B. Concessionaire shall be responsible for notifying the Airport Properties Department of any problem that reduces service or sales levels or in any way impairs Concessionaire's operation. The Airport will make every reasonable effort to assist in eliminating such problems.

Section 613. <u>Customer Comments.</u> Concessionaire shall establish procedures for handling all customer comments. Concessionaire shall respond in writing to every comment, written or oral, within seven (7) calendar days of the comment and shall make good faith efforts to explain,

resolve or rectify the cause of any complaint. Concessionaire shall provide the Airport Properties Department with a copy of such comments and its written response thereto.

Section 614. <u>Deliveries</u>. Concessionaire shall monitor the movement of deliveries to avoid conflict with other functions and users of the Airport and shall coordinate its use of the receiving dock with other users. All deliveries are the responsibility of Concessionaire and not the City. Deliveries of product to the units, whenever possible, will be made through airside doors. Deliveries on the concourses will be made at times of minimum passenger flows. Shippers, carts or other delivery equipment will be unloaded immediately and removed from the concourse. Delivery equipment will never be left unattended. This means that an employee is physically with the delivery equipment at all times. Any unattended delivery equipment will result in Concessionaire being assessed liquidated damages pursuant to Section 1301.

Section 615. <u>Trade Names</u>. The City and Concessionaire have agreed upon a Concession Plan which is attached hereto as **Exhibit C** and is incorporated herein. Concessionaire shall not permit the Premises to be used under any other trade name without the City's written consent, such consent not to be unreasonably withheld. Concessionaire acknowledges and hereby agrees that the identity, skill, experience and reputation of the Concessionaire, the brands set forth in the Concession Plan, the specific character of the Concessionaire's business, the anticipated use of the Premises, potential for payment of concession fees and the relationship between such use and other uses within the Airport were all relied upon by the City for entering into this Agreement with the Concessionaire. Any brand changes or substantial changes to brand offerings/service styles (that was not required by the brand) that have not been approved by the Director shall constitute a default under this agreement.

Section 616. <u>Inspections</u>. Concessionaire will provide the Director a copy of any health inspection, brand inspection or secret shopper report on or before the tenth (10<sup>th</sup>) day of each month for the prior month's inspection or report for each location. If said inspection does not result in a written report, Concessionaire shall submit a written summary of the nature and findings of such inspection as they were communicated to the Concessionaire. Concessionaire shall also provide the Director with any required corrective actions and timeframes for each corrective action to be implemented. If at any time an inspection or report does not result in the highest grade for any location Concessionaire will be subject to the application of liquidated damages as set forth in Article XIII.

Section 617. Operational Audit. During the entire term of this agreement, Concessionaire shall be subject to regular operational facilities inspections of Concessionaires operations at the Airport. The specific scope of the operational audit is set forth in the attached **Exhibit D** which is incorporated herein and may be amended or adjusted by the Director as circumstances change. A cumulative score of less than ninety percent (90%) for a six (6) month period of the operational facilities inspections will result in the application of liquidated damages as set forth in Article XIII.

#### Section 618. Menus and Labeling.

A. Concessionaire shall label and detail the price of product offerings and list product

offerings on menu/product/service boards in a manner consistent with street side locations for the same brand, business, franchise or trade name in an area clearly visible to the passenger. Any such menu shall include the use of descriptive terminology that accurately describes the product(s). Any terminology or statement that the Director, in his sole and absolute discretion, determines is false or misleading shall be immediately removed. Menus shall be of excellent quality and sufficient in number to meet peak period demands. If reasonably required by the Director to enhance customer service for international passengers, Concessionaire shall create, execute and maintain on hand an adequate number of menus printed in languages other than English.

B. For each menu item offered by Concessionaire, Concessionaire shall submit for approval a written description of the menu item or the brand/franchise's description of the item to include the quantity and quality of ingredients, how the item is assembled and serving size. If brand name ingredients are used in the menu item, i.e. Volpi salami, it shall be specified in the description. Each menu item and product offered will be prepared in accordance with the brand approved recipe (to include the approved ingredients, quantity, quality and execution). For any proprietary concepts, each menu item and product offered will be consistent with the approved menu for the facility (including the product ingredients, quantity, quality and execution) and no changes will be permitted without fifteen (15) days notification to the City.

Section 619 Entertainment Systems/Wireless Data: No radio or television or other similar device shall be installed without first obtaining, in each instance, the Director's written consent which will not be unreasonably withheld. No antenna or aerial shall be erected on the roof, interior walls or exterior walls of the Premises or on the Airport without, in each instance, first obtaining the prior written consent of the Director. Any radio, television, or other similar device, antenna or aerial so installed without such prior written consent shall be subject to removal and/or forfeiture without notice at any time. No loudspeakers, televisions, phonographs, radios, or other devices shall be used in a manner so as to be heard outside the Premises without the prior written consent of the Director. Surveillance equipment shall be permitted within the Premise for surveillance within the Premises only (however the City will permit Concessionaire to install surveillance equipment on the exterior of its cash room for the purpose of monitoring cash controls and the safety of its associates). Concessionaire shall not be permitted, nor permit others to use, establish, purchase, sell, or maintain any type of wireless data transmission service or antennae in, on or from the Premises without obtaining the prior written consent of the Director, whose consent may be withheld for any reason whatsoever, or for no reason. The cost removal of any of the foregoing shall be borne by the Concessionaire. It is agreed that all television, radio, antenna, wireless data transmission service, and other similar devices installed and in place prior to the Commencement Date are considered approved by the Director. In addition, wireless transmission of data from Concessionaires point of sales systems to its accounting and other systems will be reasonably permitted.

Section 620. <u>Employee Cafeteria</u>. If so directed by the Director, Concessionaire will operate an Employee Cafeteria. The hours of operation, menu and prices shall be approved in writing by the Director. The City reserves the right to have the Employee Cafeteria operated by others.

Section 621. Economic Performance. If during the term of this Agreement Gross, Receipts for any unit declines by fifteen percent (15%) or more below the base year, which for the purposes of this Section will be Contract Year one of this Agreement, for a period of six (6) months City shall have the right to require Concessionaire to reconcept the unit. If Concessionaire refuses to reconcept the unit, the City shall have the right to recapture the unit at no cost to the City. The City will not enforce the terms of this Section if the reduction in Gross Receipts is caused by the decrease in enplancements of more than fifteen percent (15%) or the development of new food and beverage concession real estate in the immediate area of the unit. Any money spent on reconcepting the units, as required by this section, will be credited against the mid-term refurbishment commitment.

#### ARTICLE VII

#### IMPROVEMENTS AND ALTERATIONS

#### Section 701. Construction by Concessionaire.

- A. Concessionaire takes the Premises "AS IS" as provided for in Article II, Section 201 hereof, and agrees, at Concessionaire's sole cost and expense, to design, erect, construct, equip and furnish all necessary Improvements, Removable Fixtures and equipment and make related facility changes as needed to operate a food and beverage concession, pursuant to this Agreement, in accordance with plans prepared by Concessionaire and approved by the Director subject to the requirements of this Article VII.
- B. Concessionaire agrees that all such work shall be completed according to the Tenant Design Standards, which are filed of record in the Office of the Director.
  - 1) Concessionaire shall submit a signed Tenant Construction or Alteration Application (TCA) including complete sealed construction drawings and specifications, as required by Section 702 hereof, to the Airport Properties Department for its initial as well as future construction. The TCA shall be submitted for each location in accordance with the approved phasing and construction schedules as agreed to between the Concessionaire and the City.
  - 2) Concessionaire agrees that all such work, design and construction, shall be completed pursuant to the Mayor's Executive Order #28, as amended. Concessionaire agrees that it shall use their best efforts, as determined by the Director, to achieve thirty percent (30%) MBE participation and ten percent (10%) WBE in the design and construction of the improvements and alterations.
  - 3) Concessionaire shall submit a St. Louis County building permit number not more than thirty (30) business days following City's written approval/acceptance of the TCA submission that was provided to the Airport Properties Department. A building permit number is required before construction can begin.
  - 4) Concessionaire shall submit the contractor's liability insurance certificates and

performance and payment bonds, required by Sections 704 and 705 hereof, to the Airport Properties Department not more than forty-five (45) business days following the TCA approval by the Airport Properties Department and prior to beginning of work.

- 5) Concessionaire shall complete all construction and open all Premises fully fixtured and operational no later than one hundred thirty (130) business days after the receipt of all needed City and municipal approvals including the St. Louis County building permit for each location, subject to the provisions of Article XIII.
- 6) Concessionaire acknowledges, agrees, and stipulates that its failure to open and operate in accordance with this Section 701 shall result in Concessionaire being assessed by the City for liquidated damages in the amount of \$100/day for each day beyond the one hundred thirty (130) business days after the receipt of all needed City and municipal approvals for each location, in addition to any other remedies the City may have under this Agreement or at law or in equity.
- 7) Concessionaire shall submit a certificate of completion and a certified copy of a St. Louis County occupancy permit, to the Airport Properties Department, as required by Section 707 hereof.
- C. Concessionaire has submitted a Concession Plan in accordance with the provisions of Section 1202. <u>Concession Plan</u>. The schedule for Concessionaire's construction shall comply with the schedule set forth in Section 1203. <u>Concession Plan Implementation</u>.

In the event Concessionaire encounters material believed to be asbestos or polychlorinated biphenyl (PCB) which has not been rendered harmless, or specifically identified with method of removal, handling or protection, Concessionaire shall immediately stop work in the affected area and report the condition to the Director in writing. The work in the affected area shall not thereafter be resumed except by written agreement of the Director and Concessionaire, if in fact the material is asbestos or PCB and has not been rendered harmless. The work in the affected area shall be resumed in the absence of asbestos or PCB, or when it has been rendered harmless by written agreement of the Director and Concessionaire. Concessionaire shall not be required to perform, without their consent, any work related to asbestos or PCB.

Section 702. <u>Cost of Improvements</u>. In connection with Concessionaire's performance under Section 701 of this Agreement, Concessionaire shall expend or cause to be expended for Build-Out Costs not less than Thirteen Million Dollars (\$13,000,000.00). Concessionaire and its sublessees shall complete or cause to be completed such Improvements in accordance with all requirements of this Article VII. Concessionaire's Build-Out in accordance with the Concession Plan shall be completed no later than December 31, 2011, unless delayed further at the City's direction.

Concessionaire shall furnish the Director with satisfactory proof of Build-Out Costs for each unit within one hundred eighty (180) days following completion of work to the Premises. This proof of costs must include, at a minimum, an itemized account of all included costs, supported by paid invoices (copies to be provided only if specifically requested by the Director) and certified as

accurate by an officer of Concessionaire. Upon completion of the Build-Out of the last unit in the Concession Plan, Concessionaire will have the total Build-Out Cost for the Concession Plan certified by an Independent Certified Public Accountant and will supply the resulting audit report to the Director. Concessionaire shall provide to the Director any other proof necessary to satisfy the Director.

Concessionaire is encouraged by City to productively expend the entire amount obligated to Build-Out Costs, but in the event Concessionaire's actual expenditures are less than the total of Thirteen Million Dollars (\$13,000,000.00), the difference shall be an item of additional payment due and payable to City within thirty (30) days after the receipt of an invoice for such difference from City

Section 703. <u>Preparation of Plans and Specifications</u>. Concessionaire shall submit detailed drawings, plans and specifications sealed by an appropriate Missouri registered professional for improving and equipping the Premises. Concessionaire shall begin work on proposed construction only after it has received the written approval of its plans and specifications, including scheduled levels of M/WBE participation, from the Director.

Section 704. Contractor's Liability Insurance. In any contract appertaining to improving and equipping the Premises, Concessionaire shall require the contractor to cause the City, its Board of Aldermen, Airport Commission and their respective officers, agents and employees, to be insured against the risk of claims and demands, just or unjust, by third persons against the City, its Board of Aldermen, Airport Commission and their respective officers, agents and employees, against and from all such claims and demands, with bodily injury limits of not less than three million dollars (\$3,000,000.00) as to any one occurrence, and with property damage limits of not less than three million dollars (\$3,000,000.00) as to any one occurrence. Said insurance shall be in a form acceptable to the City.

Section 705. Performance and Payment Bonds. Concessionaire shall require each of its contractors and suppliers of construction materials to furnish a Performance Bond and a Payment Bond each in the full amount of any contract in a form acceptable to the City. The Payment Bond shall comply with the coverage requirements and conditions of Section 107.170 RSMo (Revised Statutes State of Missouri). Copies of the bonds shall be given to the City for approval before work begins. Any sum or sums derived from said Performance Bond and/or Payment Bond shall be used for the completion of said construction and the payment of laborers and material suppliers, as the case may be.

Section 706. <u>Mechanics' and Materialmen's Liens</u>. Concessionaire agrees not to permit any mechanics' or materialmen's or any other lien to be foreclosed upon the Premises or any part or parcel thereof, or the improvements thereon, by reason of any work or labor performed or materials furnished by any mechanic or materialman or for any other reason.

Section 707. <u>Certificates of Completion</u>. Upon the completion of the Improvements hereunder, Concessionaire shall submit to the Director a copy of its acceptance letter certifying completion and a certified copy of any certificate or permit which may be required by any federal, state or

local government or agency in connection with the completion or occupancy thereof by Concessionaire. Sealed as-built drawings shall be submitted within one hundred (100) business days of opening.

#### Section 708. Signs.

- A. Concessionaire shall not erect, maintain or display any signs on the Premises without the prior written approval of the Director. The term "sign" as used herein, shall mean advertising signs, billboards, identification signs or symbols, posters, displays, logos, or any similar devices. Subject to the foregoing, Concessionaire shall have the right to install such advertising and identification signs as may be necessary for the proper conduct of a food and beverage concession as contemplated hereunder. Concessionaire shall comply with all rules promulgated by the Director regarding the placement of signs and advertising on the Premises.
- B. Concessionaire shall be responsible for the cost of any new signs or modifications to Airport directories and other existing signs, including sign systems required by the Director. All modifications to these signs must be approved by the Director and are subject to all applicable requirements of this Section 707 hereof and the Tenant Design Standards.
- C. Prior to the erection, construction or placement of any sign, Concessionaire shall submit to the Director for approval, all drawings, electrical details, sketches, designs, elevations, mounting details and dimensions of such signs. Any conditions, restrictions or limitations with respect to the use thereof as stated by the Director in writing shall become conditions of the Agreement.
- D. Concessionaire shall not place any advertising matter, displays or other literature not directly pertaining to a food and beverage concession or place any signs (excluding the facility name e.g., Chili's) outside of the Premises.
- E. As part of the development of any facility, Concessionaire will be required to install an approved blade sign as part of the initial construction.

Section 709. <u>Title to Improvements and Fixtures</u>. All Improvements constructed or placed in the Premises by Concessionaire that are not Removable Fixtures, as well as all alterations, modifications and enlargements thereof shall become part of the Premises with title vesting to the City upon expiration or earlier termination of this Agreement. This vesting of title is subject, however, to Concessionaire's obligation to operate, repair, maintain and replace, and its right of possession, use and occupancy during the term and in accordance with this Agreement.

All Removable Fixtures shall remain the property of Concessionaire, and shall be removed by Concessionaire at date of expiration or early termination of this Agreement. Within one hundred twenty (120) days of the commencement of the operation in the Premises, a list of such Removable Fixtures shall be submitted in writing to the Director by Concessionaire for the Director's approval, and such list shall be periodically updated by Concessionaire.

The City reserves the right, and Concessionaire agrees, that the Director may require Concessionaire to promptly and timely remove any or all proprietary fixtures and restore the Premises to an acceptable condition as approved by the Director. Concessionaire agrees to bear all costs of such removals and restorations.

#### Section 710. Alterations, Refurbishment and Redecoration.

- A. Concessionaire shall have the right, without cost to City, to construct additional Improvements to or in the Premises, provided however, that they shall be subject to all the requirements of this Article VII.
- B. In connection with Concessionaire's further performance under Section 701 of this Agreement, Concessionaire shall perform Refurbishment of the Premises not later than the end of the year 2015 and expend for Refurbishment Costs not less than Three Million Dollars (\$3,000,000.00). Concessionaire shall complete such Refurbishment in accordance with all requirements of this Article VII, including the proof of costs and the payment of the difference between actual expenditures and obligated expenditures to City as provided in Section 702. The Director reserves the right to participate in and approve the actual extent of all Refurbishment to be performed by Concessionaire to address the requirements of the Premises at that time.
- C. In addition to the Refurbishment requirements stated in Section 710.(B), if it becomes reasonably necessary during the term of this Agreement, as determined by the Director, Concessionaire will, at its own expense, redecorate and paint fixtures and the interior of the Premises and Improvements, and replace fixtures, worn carpeting, curtains, blinds, drapes, or other furnishings to keep the Premises in like new condition.

Section 711. Waterproofing. The City shall require Concessionaire to install, keep and maintain and repair all pipes or lines for water, drainage or sewer within or directly serving the Premises ("plumbing lines") such that they are sealed or protected against leakage or discharge of odors in conformance with the City's requirements whether or not such requirements exceed the minimum requirements of the applicable building codes. In the event that such plumbing lines leak, Concessionaire shall at its sole cost and expense and within one (1) calendar day of receipt of notice from the City (which notice may be by telephone) commence repair such plumbing lines. Any such repair shall be in strict conformance to the Tenant Design Standards. Concessionaire shall promptly reimburse the City or other tenant for any physical damage to any thing, improvement or property resulting from such leakage. Upon the third occasion of a leak from the same plumbing lines during a one year period, the City shall be entitled to hire its own plumbing contractor to correct the problem and the City shall be reimbursed from Concessionaire the cost and expense of the repairs plus fifteen percent (15%) as set forth in Section 803.

For all new Build-Outs, the City shall have the right to require Concessionaire to install, maintain and repair waterproof membrane systems under all floors of the Premises, such that they are sealed or protected against leakage in conformance with the city's requirements whether

or not such requirements exceed the minimum requirements of the applicable building codes. In the event that such floors leak, Concessionaire shall at its sole cost and expense and as soon as reasonably practical upon receipt of notice from the City (which notice may be by telephone) repair such waterproof system. Any such repair shall be in strict conformance to the Tenant Design Standards. Concessionaire shall reimburse the City or other tenant for any physical damage to its ceiling tiles or property resulting from such leakage.

#### ARTICLE VIII

#### **USE OF PREMISES**

Section 801. Compliance with Laws and Regulations. Concessionaire shall comply with all rules and regulations which the Director may establish from time to time. In addition, Concessionaire shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, City, local and other governmental authorities, now or hereafter applicable to the Premises or to any adjoining public ways, as to the manner of use or the condition of the Premises or of adjoining public ways.

Section 802. <u>USE</u>. Concessionaire shall provide and pay for all repairs and maintenance of the Premises, except the following which shall be the responsibility of the City:

- A. The structural components of the building.
- B. The utility system to the point of Concessionaire's connection to the utility system, except where the utility systems are owned or controlled by the utility companies.
- C. The washing of the exterior of windows in the terminal building.

Concessionaire shall perform the following functions as part of its responsibilities in the repair and maintenance of the Premises. The following list includes certain functions but Concessionaire's responsibilities are not limited to those functions:

- A. Perform custodial services daily.
- B. Keep all its equipment and fixtures in good repair and appearance.
- C. Keep the Premises free from all fire and other hazards to persons and property and furnish and maintain adequate portable fire protection equipment.
- D. Repair all damage to the Premises and the Airport when such damage results from the careless or negligent acts of Concessionaire or Concessionaire's agents or employees.
- E. Provide for complete sanitary handling and disposal of all trash, garbage and refuse (liquid or solid) in accordance with standards established by the Director. Such standards may require the use of special devices including, but not limited to, special containers,

compactors and disposal systems. Concessionaire agrees to promptly provide and install same and to abide by such standards.

- F. Confine all handling and holding of Concessionaire's property to the Premises.
- G. Keep all papers and debris picked up daily from the Premises.
- H. Keep the Premises free of all pests, providing such pest control services as required.
- I. No storage will be permitted on the exterior areas of the Premises.
- J. If the City provides or designates a service for picking up refuse and garbage, Concessionaire will be required to use said service.
- K. If the City establishes a recycling program, the Concessionaire will fully participate in said recycling program. Concessionaire must comply with all applicable City, county state and federal regulations regarding recycling.

The Director may temporarily or permanently close any roadway or other right-of-way for access to the Premises, so long as another means of access is provided. Concessionaire understands and agrees that there may be inconveniences caused by construction or renovations of the Airport, and Concessionaire hereby releases and discharges the City from any and all inconvenience claims, liability or causes of action arising out of or incidental to the closing of any right-of-way, including without limitation, loss of profit or business, actual, incidental, consequential or special damages. Notwithstanding, if Concessionaire is negatively impacted the City will make good faith efforts to work with Concessionaire to provide a solution that will offset the negative impact.

Section 803. Right to Enter, Inspect and Make Repairs. The City and its authorized officers, agents, employees, contractors, subcontractors and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption of Concessionaire's operations as is practicable) to enter upon, and in, the Premises for the following purposes:

- A. To inspect such Premises to determine whether Concessionaire has complied, and is complying, with the terms, covenants and conditions of this Agreement.
- B. To perform maintenance and make repairs Concessionaire is obligated, but has failed to do so after the City has given Concessionaire notice to do so, in which event, Concessionaire shall reimburse the City for the cost thereof, plus a charge of fifteen percent (15%) for overhead, promptly upon demand.
- C. To gain access to the mechanical, electrical, utility and structural systems of the Airport for the purpose of maintaining and repairing such systems.

D. To perform inspections, testing, reporting, surveys, environmental inspections, remediation, studies and assessments during normal business hours.

Section 804. <u>Utilities</u>. The City shall provide a main electric panel from which Concessionaire shall obtain electricity at a cost based upon metered usage. Concessionaire shall be responsible for the cost of electric meters and sockets and all connections to and within the Premises. Concessionaire shall be responsible for any needed modification or upgrade in electrical supply caused by increased lighting or other changes to the Premises made by Concessionaire.

Concessionaire shall pay for all costs of other utilities, including, but not limited to, deposits, installation costs, cost of upgrading or relocating utility service, connection charges, meter deposits and all service charges for telephone and other utility services metered directly to the Premises, regardless of whether or not such utility services are furnished by the City or a utility service company.

Concessionaire is required to install and maintain a grease interception system of sufficient size to prevent the release of grease in the waste water. The grease interception system will be serviced at such intervals as necessary to prevent the release of grease in the waste water.

If required by building codes or other regulations, Concessionaire shall pay for the cost of installation of fire detection and suppression distribution equipment in the Premises. Concessionaire shall pay for the connection of fire detection equipment up to City provided z-tie boxes. Concessionaire shall pay for the connection of fire suppression equipment up to City provided sprinkler mains and tamper switches.

The City shall not be liable to Concessionaire for damages or any losses for the interruption of any utility service, or for any delay in the supplying or furnishing of any utility service. Concessionaire does hereby release and discharge the City from any and all inconvenience, claims or cause of actions arising out of or incidental to such interruption, including, without limitation, loss of profit or business, actual or incidental, consequential or special damages.

Section 805. Interference to Air Navigation. Concessionaire warrants, represents and agrees that no obstruction to air navigation, as such are defined from time to time by application of the criteria of Part 77 of the Federal Aviation Regulations or subsequent and additional regulations of the Federal Aviation Administration, will be constructed or permitted to remain in or on the Premises. Any obstructions will be immediately removed by Concessionaire at its expense. Concessionaire warrants, represents and agrees not to increase the height of any structure or objects or permit the growth of plantings of any kind or nature whatsoever that would interfere with the line of sight of the control tower and its operations. Concessionaire further warrants, represents and agrees not to install any structures, objects, machinery or equipment that would interfere with the operation of navigation aides or that would interfere with the safe and efficient operations of the Airport, or interfere with the operations of other tenants and users of the Airport.

#### ARTICLE IX

#### INSURANCE, DAMAGE AND INDEMNIFICATION

#### Section 901. Insurance.

- A. General. Concessionaire, at all times during the term hereof, shall cause St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their officers, agents and employees to be insured on an occurrence basis against the risk of all claims and demands by third persons for bodily injury (including wrongful death) and property damage arising or alleged to arise out of the activities or omissions of Concessionaire, its officers, agents, and employees pursuant to this Agreement both on the Premises and the Airport.
- B. Risks and Minimum Limits of Coverage. Concessionaire shall procure and maintain the following policies of insurance:
  - 1) Commercial General Liability in an amount not less than ten million dollars (\$10,000,000.00). Such coverage shall be single limit liability with no annual aggregate.
  - 2) Automobile Liability Insurance in an amount not less than three million dollars (\$3,000,000.00) combined single limit per occurrence (for automobiles used by Concessionaire in the course of its performance hereunder, including Concessionaire's non-owned and hired autos). In addition, Concessionaire shall carry excess coverage in the amount of seven million dollars (\$7,000,000.00), to Concessionaire automobile liability insurance.
  - 3) Workers' Compensation and Employer's Liability Insurance in accordance with Missouri laws and regulations. With respect to Workers' Compensation Insurance, if Concessionaire elects to be self-insured, Concessionaire shall comply with the applicable requirements of law. Concessionaire shall require that all its subcontractors or licensees similarly provide such coverage (or qualify as a self-insured) for their respective employees. City, its officers, employees, or agents shall not be liable or responsible for any claims or actions occasioned by Concessionaire's failure to comply with the provisions of this subparagraph and that the indemnification provisions hereof shall apply to this Section. It is expressly agreed that the employees of Concessionaire are not employees of the City for any purpose, and that employees of the City are not employees of Concessionaire.
  - 4) Contents Insurance. Concessionaire shall be solely responsible for obtaining insurance policies that provide coverage for losses of Concessionaire owned property. The City shall not be required to provide such insurance coverage or be responsible for payment of Concessionaire's cost for such insurance.

- 5) Builders Risk Insurance. During any period of construction or reconstruction for which Concessionaire contracts, Concessionaire shall carry, or shall require its contractor or contractors to carry, a policy of Builders Risk Insurance in an amount sufficient to insure the value of the work. The City shall be named Loss Payee on Builders Risk coverage to the extent of the City's interest therein (except to the extent coverage relates to Concessionaire's equipment and personal property). Concessionaire may elect to self-insure for individual projects with a total cost of ninety thousand dollars (\$90,000.00) or less.
- 6) Other Property Coverage. Concessionaire shall provide an "All Risk" insurance policy providing protection from direct loss arising out of any fortuitous cause other than those perils or causes specifically excluded by form and which covers Concessionaire's improvements to the Premises, trade fixtures, and equipment. The City shall be named Loss Payee on such coverage to the extent of the City's interest therein (except to the extent coverage relates to Concessionaire's equipment and personal property).
- C. Issuers of Policies. The issuer of each policy required herein shall be a financially sound insurance company authorized to issue insurance policies in the State of Missouri. Acceptable insurers include insurance companies with an "A.M. Best Company" rating of at least an "A," or other insurers or insurance syndicates of similar recognized responsibility.
  - 1) Form of Policies. The insurance may be in one or more policies of insurance.
  - 2) Non-waiver. Nothing the City does or fails to do shall relieve Concessionaire from its duties to provide the required coverage hereunder, and the City's actions or inactions shall not be construed as waiving the City's rights hereunder.
  - 3) Insured Parties. Each policy by endorsement, except those for Workers' Compensation, Employer's Liability, shall name the City, its officers, agents, and employees as "additional insured" on the certificate of insurance, including all renewal certificates, to the extent of Concessionaire's indemnification obligations hereunder. Inclusion as an "additional insured" is not intended to, and shall not, make the City a partner or joint venturer with Concessionaire in its operations.
  - 4) Deductibles. Concessionaire shall assume and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for the same against the City, its officers, agents, or employees; provided, however, that nothing herein stated shall diminish Concessionaire's rights or increase Concessionaire's obligations in respect to its undertakings or hold harmless defense and indemnification set forth in Section 904 hereof.
  - 5) Cancellation. Each policy shall expressly state that it may not be cancelled, materially modified or non-renewed unless thirty (30) days advance notice is given in writing to the City by the insurance company, or authorized representative of Concessionaire.

- 6) Subrogation. Each policy shall contain an endorsement by which the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, or employees.
- 7) Endorsement of Primary Insurance. Each policy hereunder, except Workers' Compensation, shall be primary insurance to any other insurance available to the Additional Insured and Loss Payee with respect to claims arising hereunder.
- 8) Liability for Premium. Concessionaire shall be solely responsible for payment of all insurance premiums required pursuant to this Agreement, and the City shall not be obligated to pay any premiums; provided, however, that if Concessionaire fails to obtain the insurance as required herein or make premium payments, the City may, without further notification, effect such insurance or make such payments on Concessionaire's behalf and, after Notice to Concessionaire, the City may recover the cost of those payments with the installment of Fees and Charges next due, plus fifteen percent (15%) administrative charge, from Concessionaire.
- 9) Proof of Insurance. Within thirty (30) days of the Effective Date of this Agreement and at any time during the term hereof, Concessionaire shall furnish the City with certificates of insurance. At least five (5) days prior to the expiration of any such policy, Concessionaire shall submit to the City a certificate showing that such insurance coverage has been renewed. If such coverage is canceled or reduced, Concessionaire shall, within fifteen (15) days after the date of such notice from the insurer of such cancellation or reduction in coverage, file with the City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon reasonable notification by the City to Concessionaire, the City shall have the right to examine Concessionaire's insurance policies.
- D. Maintenance of Coverage. Notwithstanding the proof of insurance requirements set forth above, it is the intention of the parties hereto that Concessionaire, continuously and without interruption, maintain in force the required insurance coverages set forth above.
- E. City Right to Review and Adjust Coverage Limits. The City reserves the right, at reasonable intervals during the term of this Agreement, to cause the insurance requirements of this Article to be reviewed, at its sole cost, by an independent insurance consultant experienced in insurance for public airports, taking into consideration changes in statutory law, court decisions, or the claims history of the Airport as well as that of Concessionaire, and, based on the written recommendations of such consultant, and in consultation with Concessionaire, to reasonably adjust the insurance coverages and limits required herein but not more often than every twenty-four (24) months.

Section 902. <u>Concessionaire Actions Affecting Insurance</u>. Concessionaire shall not knowingly do or permit to be done anything, either by act or failure to act, that may cause the cancellation or violation of the provisions, or any part thereof, of property insurance policies for the Airport, or that may cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If such Concessionaire's act or failure to act, causes

cancellation of any property policy, then Concessionaire shall immediately, upon notification by the City, do whatever is necessary to cause reinstatement of said insurance. Furthermore, if Concessionaire does or permits to be done any act or fails to do any act which causes an increase in the City's property insurance premiums, Concessionaire shall immediately remedy such actions and/or pay the increase in premiums, upon Notice from the City to do so; but in any event, Concessionaire will hold the City harmless for any expenses and/or damage resulting from any such action.

#### Section 903. Damage to Premises.

- A. Minor Damage. If any part of the Premises, or adjacent facilities directly and substantially affecting the use of the Premises, is partially damaged by fire or other casualty, but said circumstances do not render the Premises untenantable as determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in this Section. In such case, the fees payable hereunder with respect to affected Premises shall be paid up to the time of such damage and shall thereafter be abated ratably in the proportion that the untenantable area bears to the total Premises of the same category or type of space. Such abatement in fees will continue until the affected Premises are restored adequately for Concessionaire's use.
- B. Substantial Damage. If any part of the Premises, or adjacent facilities directly and substantially affecting the use of the Premises, is so extensively damaged by fire, or other casualty, as to render any portion of said Premises untenantable but capable of being repaired, as determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in this Section. In such case, the fees payable hereunder with respect to affected Premises shall be paid up to the time of such damage and shall thereafter be abated ratably in the proportion that the untenantable area bears to the total Premises of the same category or type of space. Such abatement in fees will continue until the affected Premises are restored adequately for Concessionaire's use. The City shall use its best efforts to provide alternate facilities to continue Concessionaire's operation while repair, reconstruction, or replacement is being completed, at a rental rate not to exceed that provided herein for comparable space, provided that Concessionaire's rental costs shall not increase as a result of any such alternate facilities unless Concessionaire requests additional space and/or space replacement of a classification at higher rental rates concurrent with such reassignment to alternate facilities.

#### C. Total Damage.

1) If any part of the Premises, or adjacent facilities directly and substantially affecting the use of the Premises, is damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Premises incapable of being repaired, as determined by the City, the City shall notify Concessionaire as soon as practicable under the circumstances after the date of such damage of its decision whether to reconstruct or replace said space. However, the City shall be under no obligation to replace or reconstruct such premises. The fees payable hereunder with respect to affected Premises shall be paid up to the time of such

- damage and thereafter shall cease until such time as replacement or reconstructed space shall be available for use by Concessionaire.
- 2) If the City elects to reconstruct or replace affected Premises, the City shall use its best efforts to provide alternate facilities to continue Concessionaire's operation while repair, reconstruction, or replacement is being completed, at a rental rate not to exceed that provided herein for comparable space. However, if such damaged space shall not have been replaced or reconstructed, or the City is not diligently pursuing such replacement or reconstruction, within six (6) months after the date of such damage or destruction, Concessionaire shall have the right, upon giving the City thirty (30) days advance Notice, to delete the affected Premises from this Agreement, but this Agreement shall remain in effect with respect to the remainder of said Premises, unless such damaged or destroyed premises prevent Concessionaire from operating its Food and Beverage Concession at the Airport. In the event certain Premises are deleted from the Agreement the MAG and any other rental payments will be proportionally reduced, based upon the percentage of Gross Receipts of the deleted Premises compared to total Gross Receipts generated throughout the Airport during the prior twelve (12) month period, to reflect the loss of the Premises.
- 3) If the City elects not to reconstruct or replace affected Premises, the City shall meet and consult with Concessionaire on ways to permanently provide Concessionaire with adequate replacement space for affected Premises. Concessionaire shall have the right, upon giving the City thirty (30) days advance Notice, to delete the affected Premises from this Agreement, but this Agreement shall remain in full force and effect with respect to the remainder of said Premises, unless the loss of such premises prevents Concessionaire from operating its Food and Beverage Concession at the Airport. In the event certain Premises are deleted from the Agreement, the MAG will be proportionally reduced, based upon the percentage of Gross Receipts of the deleted Premises compared to total Gross Receipt generated throughout the Airport during the prior twelve (12) month period, to reflect the loss of the Premises.

#### D. Scope of Restoration of Premises.

1) The City's obligations to repair, reconstruct, or replace affected Premises under the provisions of this Section shall in any event be limited to using due diligence and best efforts to restore affected Premises to substantially the same condition that existed prior to any such damage and shall further be limited by the provisions of Section 903 A-C. If the City elects to repair, reconstruct, or replace affected premises as provided in this Section, then Concessionaire shall proceed with due diligence and at its sole cost and expense to repair, reconstruct, or replace its signs, fixtures, furnishings, equipment, and other items provided or installed by Concessionaire in or about the Premises in a manner and in a condition at least equal to that which existed prior to said damage or destruction.

- 2) In lieu of the City's repair, reconstruction, or replacement of the affected premises, as provided in this Section, if Concessionaire requests to perform said function with respect to damage under Section 903 A-B, the City may, in its sole discretion, allow Concessionaire to do so. Any such work by Concessionaire must be done in accordance with the requirements of Article VII and Section 801. The City shall reimburse Concessionaire for the cost of such work performed by Concessionaire. Concessionaire shall be considered to be doing such work on its own behalf and not as an agent or contractor of the City.
- E. Damage from Concessionaire Negligence. Notwithstanding the provisions of this Section, if damage to or destruction of the Premises is due to the negligent or willful acts of Concessionaire, its agents, servants, or employees, or those under its control, there shall be no abatement of fees during the restoration or replacement of said Premises. In addition, Concessionaire shall have no option to delete the affected Premises from this Agreement. To the extent that the costs of repairs pursuant to this Section shall exceed the amount of any insurance proceeds payable to the City by reason of such damage or destruction, Concessionaire shall timely pay the amount of such additional costs to the City.

### Section 904. Indemnification.

- A. Concessionaire shall defend, indemnify, and hold harmless St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their respective officers, agents and employees (the **Indemnified Parties**) from and against any and all loss, liability, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards, settlements, costs, and expenses, including payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs and expert fees) of any nature, arising out of and in connection with this Agreement, the conduct of a food and beverage concession, or Concessionaire's use of its Premises or other areas or facilities at the Airport by Concessionaire, its agents, employees, contractors, or subcontractors, including, but not limited to:
  - 1) The acts or omissions of Concessionaire, its agents, employees, contractors, or suppliers;
  - 2) Concessionaire's use or occupancy of the Airport and the Premises; and
  - 3) Any violation by Concessionaire in the conduct of Concessionaire's food and beverage concession or its use of its Premises or other areas or facilities at the Airport of any provision, warranty, covenant, or condition of this Agreement

Concessionaire shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

- B. Concessionaire shall defend, indemnify, pay, and hold harmless the Indemnified Parties from and against all applicable taxes and assessments for which the City may become liable and which by law may be levied or assessed on the Premises, or which arise out of the operations of Concessionaire or by reason of Concessionaire's occupancy of its Premises except for any taxes or assessments based on the gross or net income or gross or net receipts of the City that are not allocable to concession-related receipts. However, Concessionaire may, at its own risk, cost, and expense, and at no cost to the City, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment, and the City will, to the extent permitted by law, execute such documents as are necessary to permit Concessionaire to contest or appeal the same. Concessionaire shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the City, upon request by the City, copies of receipts of payment. If the City receives any tax billings falling within the scope of this paragraph, it will forward said billings to Concessionaire. Concessionaire shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.
- C. Concessionaire shall defend, indemnify, and hold harmless the Indemnified Parties from and against any claim, suit, demand, action, liability, loss, damage, judgment, or fine, and all costs and expenses of whatever kind or nature associated therewith in any way arising from or based in whole or substantial part upon claim or allegation of a violation of any federal, state, or local laws, statutes, resolutions, regulations, ordinance, or court order affecting the Airport, by Concessionaire, its agents, employees, contractors, or suppliers, in conjunction with Concessionaire's use and/or occupancy of the Premises or its operations at the Airport. Concessionaire will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not. Concessionaire shall include the substance of this Subsection (C) in every sublease, contract or other agreement which Concessionaire may enter into related to its activities at the Airport, and any such sublease, contract or other agreement shall specifically provide that the City is a third-party beneficiary of this and related provisions. This provision does not constitute a waiver of any other condition of this Agreement prohibiting or limiting assignments, subletting or subcontracting.
- D. If a prohibited incursion into the air operations area occurs, or if the Airfield Operations Area or sterile area security is breached, by or due to the negligence or willful act or omission of any of Concessionaire's employees, agents, contractors, or suppliers, and such incursion or breach results in a civil penalty action against the City, Concessionaire shall assume the defense of any such action and be responsible for any civil penalty or settlement amount required to be paid by the City as a result of such incursion or breach. The City shall notify Concessionaire of any allegation, investigation, or proposed or actual civil penalty sought for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAA or TSA regulations or security directives.
- E. Concessionaire's obligation to defend and indemnify past officers, employees, and agents of the City shall apply to such persons only for claims, suits, demands, actions, liability,

loss, damages, judgments, or fines arising from events, occurrences, and circumstances during which said officers, employees, and agents held their office or position with the City.

- F. The City shall promptly notify Concessionaire of each claim, action, proceeding, or suit in respect of which indemnity may be sought by the City against Concessionaire hereunder, setting forth the particulars of such claim, action, proceeding or suit; shall furnish Concessionaire with a copy of all judicial filings and legal process and any correspondence received by the City related thereto; and shall tender the defense of same to Concessionaire.
- G. The duty to defend, indemnify, hold harmless, and reimburse shall apply to any claim, demands, or suits made against the City for which Concessionaire is responsible pursuant to this Section. Provided, however, that upon the filing by anyone of a claim with the City for damages arising out of incidents for which Concessionaire herein agrees to indemnify and hold the City harmless, the City shall promptly notify Concessionaire of such claim and, if Concessionaire does not settle or compromise such claim, then Concessionaire shall undertake the legal defense of such claim both on behalf of Concessionaire and on behalf of the City, at Concessionaire's expense; provided, however, that Concessionaire shall immediately notify City if a conflict between the interests of Concessionaire and City arises during the course of such representation. Concessionaire shall use counsel reasonably acceptable to the City Counselor of the City or his or her designee, after consultation with the Director, in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement. It is specifically agreed, however, that the City, at its option and at its own expense, may participate in the legal defense of any claim defended by Concessionaire in accordance with this Section. Any final judgment rendered against the City for any cause for which Concessionaire is liable hereunder shall be conclusive against Concessionaire as to amount upon the expiration of the time for appeal therefrom. Nothing in this Article IX shall be deemed a change or modification in any manner whatsoever of the method or conditions of preserving, asserting, or enforcing any claim of legal liability against the City. This Section shall not be construed as a waiver of the City's sovereign or other immunity.
- H. The City, at its own expense except as otherwise provided herein, shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings and to the extent of its interests, approve, in writing, the terms of any settlement related to any claim, action, proceeding or suit set forth in this Section.
- I. Notwithstanding the provisions of this Section, Concessionaire shall have no obligation to defend, indemnify, or hold harmless the City for any consequential damages or for any amounts to be paid in connection with losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, injunctive relief, judgments, awards and settlements if the City is conclusively determined to be more than fifty percent (50%) liable due to contributory negligence.

J. This Section shall survive the expiration or early termination of this Agreement. Concessionaire understands and agrees that any insurance protection furnished by Concessionaire pursuant to Section 901 shall in no way limit Concessionaire's responsibility to indemnify and hold harmless the City under the provisions of this Agreement.

Section 905. <u>City Not Liable</u>. Unless otherwise expressly provided for in this Agreement, the City shall not in any event be liable to Concessionaire for:

- A. Any acts or omissions of Concessionaire, its officers, directors, employees, agents, contractors, or suppliers, or for any conditions resulting from the operations or activities of Concessionaire's directors, officers, employees, agents, contractors, or suppliers;
- B. Concessionaire's failure to perform any of the obligations hereunder or for any delay in the performance thereof;
- C. Any environmental condition in existence at the Airport, or any part thereof, which condition may interfere with Concessionaire's business or other operations or activities, or which might otherwise cause damages to Concessionaire through loss of business, destruction of property, or injury to Concessionaire, its officers, directors, employees, agents, contractors, suppliers, passengers, invitees, or licensees except to the extent such conditions are caused by the City, its employees or agents; or
- D. Bodily injury or any loss or damage to real or personal property or business income occasioned by flood, fire, smoke, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, vandalism, malicious mischief, or acts of war or terrorism, or for any injury, loss or damage not caused by the negligence, willful misconduct, or bad faith of the City.

### ARTICLE X

### ASSIGNMENT AND SUBCONTRACTING

### Section 1001. Assignment and Subcontracting.

A. Concessionaire shall not assign or transfer this Agreement. In the event there is an assignment of this Agreement by operation of law, the City shall be entitled within ninety (90) days after written notice thereof to exercise the City's option hereby given to terminate this Agreement no sooner than thirty (30) days after the date of such determination by the City. An assignment by operation of law, as the term is used herein, shall include but not be limited to the vesting of Concessionaire's right, title and interest in the Concessionaire's furnishings, Removable Fixtures, or Concessionaire's interest in this Agreement, as a trustee in bankruptcy or as an assignee for the benefit of creditors or in a purchase thereof at a judicial sale or other involuntary or forced sale. It is the purpose of the foregoing provision to prevent the vesting in any such purchaser, referee, trustee,

or assignee, any rights, title or interest in the City premises or any of the Removable Fixtures, except subject to the City's right to terminate this Agreement.

B. Concessionaire shall not sublet the Premises and/or subcontract or transfer any part of the services to be performed hereunder, except as may be necessary to comply with the ACDBE participation goal in Article XII of this Agreement. At least sixty (60) days prior to any contemplated subletting of the Premises or subcontracting of this Agreement, Concessionaire must submit a written request to the Director. This request must include a copy of the proposed subcontract or sublease. Any sublease for space or subcontract or granting of rights acquired hereunder shall be subject to the review and written approval of the Director. Such sublease or subcontract, however, must require at a minimum: (i) strict compliance with all provisions of this Agreement; (ii) a provision that the sublessee or subcontractor will use the facilities solely for the purposes identified in this Agreement; (iii) a provision required in Section 602 of this Agreement; (iv) a provision providing that all terms of the sublease are subject to and subordinate to the provisions of this Agreement; and (v) a provision that the term of the sublease shall expire immediately at the expiration or early termination of this Agreement.

The parties understand and agree that Concessionaire is responsible for the performance of its assignees, sublessees, and subcontractors under this Agreement. Concessionaire agrees to initiate and take all corrective action should a subcontractor or sublessee fail to comply with its contract with the Concessionaire or any provision of this Agreement. There will be no reduction of the Minimum Annual Guarantee payable to the City during any such period of change-out or vacancy of a subcontractor or sublessee.

- C. No subcontract, sublease, or other agreement shall be effective as it pertains to the City until such time as the City receives a fully executed copy of the approval, subcontract, sublease or agreement as provided for above. Any such assignment or transfer or subcontract of services or the subletting of the Premises without the consent of the City, as provided for above, shall constitute a default on the part of Concessionaire under this Agreement, and the City may terminate this Agreement as provided for in Section 1103. No action or failure to act on the part of any officer, agent or employee of the City shall constitute a waiver by the City of this provision.
- D. The City acknowledges that Concessionaire already has multiple sublease agreements in effect at the Airport. Concessionaire will make good faith efforts to amend those subleases to include the terms and conditions of this Restated and Amended Agreement.

### ARTICLE XI

### TERMINATION OF AGREEMENT IN ENTIRETY

Section 1101. <u>City's Right to Terminate</u>. The City, acting by and through its Director, may declare this Agreement terminated in its entirety, in the manner provided in Section 1103 hereof, upon the happening of any one or more of the following events. By example, but not by way of

limitation, the following acts or omissions shall constitute a material breach thereby justifying the termination of this Agreement in its entirety:

- A. If the fees, charges, or other money payments which Concessionaire herein agrees to pay, or any part thereof, shall be of a material amount (defined for this section as an amount in excess of \$5,000.00) and shall remain unpaid after the date the same shall become due and Concessionaire does not satisfy the obligation after written notice and a reasonable cure period.
- B. If during the term of this Agreement, Concessionaire shall:
  - 1) Apply for, or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets;
  - 2) File a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due;
  - 3) Make a general assignment for the benefit of creditors;
  - 4) File a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law;
  - 5) File an answer admitting the material allegations of a petition filed against any said assignee or sublessee in any bankruptcy, reorganization or insolvency proceedings; or if during the term of this Agreement, an order, judgment or decree shall be entered by any court of competent jurisdiction; or the application of a creditor, adjudicating Concessionaire as bankrupt or insolvent; or approving a petition seeking a reorganization of Concessionaire, and such order, judgment or decree, shall continue unstayed and in effect for any period of ninety (90) consecutive days;
  - 6) Fail to maintain the quality of services and prices to the satisfaction of the Director as required hereunder;
  - 7) Fail to prevent cessation or deterioration of service for a period which, in the opinion of the Director, materially and adversely affects the overall performance of Concessionaire under this Agreement;
  - 8) Allow a lien to be filed against Concessionaire or any of the equipment or furnishings therein because of or resulting from any act or omission of Concessionaire that is not removed or enjoined within thirty (30) days;
  - 9) Desert, vacate or discontinue all or a portion of its operation of the Premises that in the opinion of the Director results in a failure to provide the public and others the service contemplated hereunder;

10) Fail in the performance of any term, covenant or condition herein required to be performed by Concessionaire when not cured upon written notice and a reasonable cure period.

On the date set forth in the notice of termination, the term of this Agreement and all right, title and interest of Concessionaire shall expire, except as otherwise provided in Section 1103 hereof.

Failure of the City to take any authorized action upon default of any term, covenant or condition required to be performed, kept and observed by Concessionaire shall not be construed to be or act as a waiver of default or in any subsequent default of any term, covenant or condition herein contained to be performed, kept and observed by Concessionaire. The acceptance of monies by the City from Concessionaire for any period or periods after a default by Concessionaire of any term, covenant or condition herein required to be performed, kept and observed by Concessionaire shall not be deemed a waiver or estopping of any right on the part of the City to terminate this Agreement for failure by Concessionaire to so perform, keep or observe any said term, covenant or condition.

Section 1102. <u>Concessionaire's Right to Terminate</u>. Concessionaire, at its option, may declare this Agreement terminated in its entirety, in the manner provided in Section 1103 hereof for the following causes:

- A. If a court of competent jurisdiction issues an injunction or restraining order against the City preventing or restraining the use of the Airport for Airport purposes in its entirety or in substantial entirety.
- B. If the City shall have abandoned the Airport for a period of at least sixty (60) days and shall have failed to operate and maintain the Airport in such manner as to permit landings and takeoffs of planes by scheduled air carriers.
- C. If the City shall have failed in the performance of any specific covenant constituting a material breach within the control of the City and required by this Agreement to be performed by the City.

Section 1103. Procedures for Termination. No termination declared by either party shall be effective unless and until not less than forty-five (45) days have elapsed after written notice by either party to the other specifying the date and cause of termination. No such termination shall be effective if the party at default (i) cannot by the nature of the default cure it within such forty-five (45) day period; (ii) commences to diligently correct such default within such forty-five (45) day period; and (iii) corrects such default as is reasonably practicable. Notwithstanding the foregoing, the effective date for termination shall be thirty (30) days after written notice by City to Concessionaire for failure to make any payment when due, or for failure to provide the security for performance as specified in Article V or for failure to provide any insurance coverage as specified in Article IX unless cured in such thirty (30) days after written notice by City to Concessionaire.

Section 1104. <u>Rights Cumulative</u>. It is understood and agreed that the rights and remedies of the City and Concessionaire specified in this Article are not intended to be and shall not be exclusive of one another or exclusive of any common law right of either of the parties hereto or any other remedies otherwise available to the parties at law or in equity.

### ARTICLE XII

### AIRPORT CONCESSIONAIRE DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

### Section 1201. Compliance.

- A. Concessionaire agrees, as a condition hereunder, to meet a minimum ACDBE participation goal of not less than forty percent (40%) participation in the ownership, management and control of the business by the methods of participation allowed by Department of Transportation (DOT) 49 CFR Part 23. The goal shall be measured as a percentage of total Gross Receipts. The goal remains in effect throughout the term of the Agreement and credit toward the ACDBE goal will only be given for the use of Missouri Regional certification Committee (MRCC) certified ACDBEs. The City anticipates seeking an independent consultant to conduct a disparity study. Upon completion of the study, the City will consider revising the ACDBE goals to a level consistent with the study's identification of available ACDBEs or potential ACDBEs in the St. Louis marketplace.
- B. If these good faith efforts result in the fulfillment of the ACDBE goal, Concessionaire will not be required to perform additional good faith efforts, except in the event that Concessionaire's ACDBE participation fails to continue to meet the goal or comply with the applicable federal regulations. In the event Concessionaire's ACDBE participation fails to continue to meet the goal or comply with applicable federal regulations, Concessionaire will be required to perform the good faith efforts procedure specified in the applicable federal regulations for the type of participation sought within three (3) months following the loss of ACDBE participation and continue at intervals of not less than twelve (12) months, or until the ACDBE goal is reached by Concessionaire.
- C. If these good faith efforts did not result in fulfillment of the ACDBE goal, Concessionaire must again complete the good faith efforts procedure specified in the applicable federal regulations for the type of participation sought within three (3) months following commencement of the term of this Agreement and continue at intervals of not less than twelve (12) months, or until the ACDBE goal is reached by Concessionaire.
- D. In the event that any ACDBE Sublessee defaults, Concessionaire agrees to immediately take steps to obtain a replacement certified ACDBE through good faith efforts. Notwithstanding, if ACDBE goes over the Personal Net Worth limitation, their participation will still count until the end of the lease term as per FAA/DOT regulations. It is the intent of City to have a certified ACDBE Sublessee replace any ACDBE Sublessee that has defaulted. Replacement ACDBE's must be approved in writing by the

Director. If a replacement ACDBE cannot be located, Concessionaire must make good faith efforts to sublease other rights of Concessionaire to secure ACDBE participation. The Director will determine if Concessionaire has made acceptable good faith efforts. Concessionaire must immediately operate the food and/or beverage unit(s) in lieu of an ACDBE that has failed to perform due to default of its sublease until such time as a replacement ACDBE sublessee begins operation. The loss of an ACDBE does not relieve Concessionaire of its obligation to maintain the minimum participation goal. The Airport DBE Office will provide Concessionaire assistance in locating ready, willing, able ACDBE firms.

- E. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations 49 CFR Part 23. Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, creed, color, religion, sex, national origin or ancestry in connection with the award or performance of any concession agreement covered by 49 CFR Part 23. Concessionaire agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements.
- F Concessionaire shall operate its food and beverage concession in compliance with all other requirements imposed by or pursuant to 49 CFR Part 23, as applicable, and as said regulations may be amended or new regulations promulgated. Concessionaire shall also comply with any City of St. Louis executive orders, resolutions or ordinances enacted, now or in the future, to implement the foregoing federal regulations, as applicable. In the event of breach of any of the above covenants, the City shall have the right to terminate this Agreement.

Section 1202. Concession Plan. Concessionaire has submitted for City's review and approval a Concession Plan (Concession Plan) for the food and beverage concession at the Airport. Such Concession Plan shall be based upon quantitative and qualitative research conducted in St. Louis by Concessionaire. The Concession Plan shall become the conceptual plan which Concessionaire and its Sublessees shall be obligated to implement. The Concession Plan will feature Local Concepts and Regionally Branded concepts whenever possible. Nationally Branded concepts may be used to complete the Concession Plan. Any deviations in the implementation of the Concession Plan shall require City's prior approval in writing. The Concession Plan is included herewith as Exhibit "C"

### Section 1203. Concession Plan Implementation.

A. Concessionaire shall enter into various business relationships including sublease to qualified ACDBE enterprises a portion of the locations shown on Exhibit A. Concessionaire shall make good faith efforts to assure that sales in the ACDBE subleased units are equal to forty percent (40%) of the Concession Gross Revenue. Concessionaire will conduct assessments periodically to assess patterns to determine what adjustments are needed to maintain the participation goal. Any adjustments needed shall be in compliance with the Concession Plan.

- B. Concessionaire will recommend a specific implementation schedule for sublessees to City for its review and approval. The implementation schedule for sublessees will be completed as expeditiously as possible, but shall be totally realized on or before January 1, 2010.
- C. Subject to approval by City of the Concession Plan, ACDBE sublessees may begin operation as soon as the following conditions have been fulfilled: sublessees have been ACDBE certified by City; a sublease with Concessionaire has been signed; the sublease has been approved by the Director; the ACDBE sublessee is fully certified for the brand which it is to sell, assuming such certification is required; and the facility after construction by the sublessee's contractor receives all the necessary permits and approvals including required approvals from governmental bodies or franchisors.

### Section 1204. Overhead Fee. Concessionaire may assess sublessees with certain fees as follows:

- A. Administrative Fee This fee will be assessed on all Sublessees at a rate of 1.5% of Gross Revenues to compensate Concessionaire for activities relating to contract management, performance monitoring and enforcing standards.
- B. Training Fee This fee will be assessed at a rate of 1.125% of Gross Revenues for all Sublessees having less than two (2) years of experience operating an Airport concession or less than five years operating a similar business in a non-Airport environment. The fee will not be charged to an ACDBE Sublessee once the Sublessee has operated at the Airport for a two year period. The fee is being assessed to compensate Concessionaire for providing regular training sessions focusing on topics such as how to operate a successful Airport business, effective hiring, training and management techniques, effective merchandising and other related topics.
- C. Service Fee This fee will be assessed at a rate of 1.125% of Gross Revenues for all Sublessees having less than two (2) years experience operating an Airport concession. The fee will compensate Concessionaire for counsel, advice, accounting assistance and other technical assistance, so long as the assistance is not covered by the Administrative or Training Fee. This fee will be charged to the ACDBE Sublessee for a period not to exceed one (1) year.
- D. Tenant Support Fee For any Tenant receiving a certain number of performance citations as listed below within a one (1) year period, Concessionaire, after approval by the Director, will provide either training and/or technical support. The Tenant Support Fee will be charged for a period not to exceed one (1) year at a rate of 2.25% of Gross Revenues. If other fees are in effect at the time the Tenant Support Fee is implemented, the total of all fees may not exceed 3.75% of gross sales.

The Tenant Support Fee may be imposed if Tenant, during any twelve (12) month period receives: three notices of default from Concessionaire; fails two (2) audits by the Tenant's franchisor (if a franchise); receives four (4) written customer complaints; or a combination of any three (3) of the above items; or fails one (1) formal health inspection.

### ARTICLE XIII

### LIQUIDATED DAMAGES

Section 1301. Liquidated Damages. Concessionaire recognizes and hereby agrees and stipulates that the City will lose revenue and/or incur certain cost or expense, the amounts of which are difficult to ascertain, if Concessionaire defaults or breaches any of the terms, covenants or conditions enumerated below. Therefore, the Concessionaire agrees and stipulates that the Director, on behalf of the City, may elect after written notice to the Concessionaire of said default or breach to impose the charges set forth below as liquidated damages on the basis of each default or breach. The first default or breach in any category will result in a warning letter. The second default or breach will require Concessionaire to pay liquidated damages in the amount listed below. For the third default or breach in the same category, Concessionaire will pay City liquidated damages in the amount listed below. For the fourth and each subsequent cumulative default or breach, Concessionaire shall pay to City the third default or breach amount. Such liquidated damages shall be due and payable by the Concessionaire within thirty (30) days of the City's request or notice. The stated defaults or breaches in this Section 1301 are cumulative over the term of this Agreement and are in addition to any other remedies City may have under this Agreement or at law or integrity. For any defaults or breaches specified in this section with associated liquidated damages, the City agrees to provide immediate written notice via facsimile and overnight courier of any such default or breach and the amount of liquidated damages due and payable to the City.

LIQUIDATED DAMAGES FOR BREACH OF OPERATING STANDARDS

DDE CH OD DEELANT	SECOND VIOLATION	THIRD VIOLATION
BREACH OR DEFAULT		
A. Unapproved equipment or	\$500.00	\$750.00
placement of equipment in areas not		
authorized by City.		
B. Late monthly reporting of gross receipts	\$25.00 per day	\$50.00 per day
in breach of Article V.		
C. Failure to deliver on time required items	\$200.00	\$300.00
such as reports, schedules, manuals or other		
materials as specified in this Agreement.		
D. Other non-monetary defaults that disrupt	\$500.00	\$750.00
operations, traffic in terminal or customer		
service.		
E. Inoperable equipment or equipment not	\$200.00	\$300.00
repaired within 15 days of notice to		
Concessionaire.		
	\$50.00 per day	\$100.00 per day
F. Late annual financial reporting in breach	550.00 per day	\$100.00 per day
of Article V.		

Section 1302. Continuing Operations. The continuous operation of all concession premises

is essential to the provision of excellent customer service to the traveling public. If Concessionaire shall fail to operate any of the Premises set forth in Exhibit "A" for more than five (5) consecutive days, except in the case of damage or destruction of the Premises, Concessionaire shall either return the Premises to the City without cost to the City or pay to the City an amount equal to the non-airline square footage rental rate then applicable as Liquidated Damages to compensate the City for the failure to earn Concession Fees.

### ARTICLE XIV

### MISCELLANEOUS PROVISIONS

Section 1401. Notice. Except as herein otherwise expressly provided, all notices required to be given to the City hereunder shall be in writing and shall be sent by certified mail, return receipt requested, to the Director of Airports, St. Louis Airport Authority, 10701 Lambert International Boulevard, P.O. Box 10212 Lambert Station, St. Louis, MO 63145. A copy of all notices shall also be mailed to the Airport Properties Manager at the same address. All notices, demands and requests by the City to Concessionaire shall be sent by certified mail, return receipt requested addressed to:

HMSHost Corporation
Attn: Law Dept. General Counsel
6905 Rockledge Drive
Bethesda, Maryland 20817

With a copy to - VP Development - STL Airport

Either or both parties may designate in writing from time to time any changes in addresses or any addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notice shall be the date such notice is mailed to Concessionaire or said Director.

### Section 1402. Non-Discrimination and Affirmative Action Program.

- A. Concessionaire hereto understands and agrees that the City in the operation and use of Lambert-St. Louis International Airport® will not, on the grounds of race, creed, color, religion, sex, national origin or ancestry, discriminate or permit discrimination against any person or group of persons in a manner prohibited by Part 21 of the Federal Aviation Regulations of the Office of the Secretary of Transportation. Concessionaire hereby agrees that his premises shall be posted to such effect as required by said regulations.
- B. Concessionaire agrees that in performing under this Agreement, neither he nor anyone under his control will permit discrimination against any employee, worker or applicant for employment because of race, creed, color, religion, sex, national origin or ancestry. Concessionaire will take affirmative action to insure that applicants are employed and that employees are treated fairly without regard to race, creed, color, religion, sex, national origin or ancestry. Such action must include, but shall not be limited to the

following: actions to bar, employ, upgrade or recruit, expel, discharge, demote or transfer, layoff, terminate or create intolerable working conditions, rates of pay or other forms of compensation and selection for training, including apprenticeship.

- C. Concessionaire will, in all printed or circulated solicitations or other advertisement or publication for employees placed by or on behalf of the Concessionaire, state that all qualified applicants shall receive meaningful consideration for employment without regard to race, creed, color, religion, sex, national origin or ancestry. All advertisements or solicitations for applicants for employment must contain the phrase "An Equal Opportunity Employer". Concessionaire shall not make inquiry in connection with prospective employment which expresses directly or indirectly any limitation, specification or discrimination because of race, creed, color, religion, sex, national origin or ancestry.
- D. Concessionaire will permit reasonable access by the City to such persons, reports and records as are necessary for the purpose of ascertaining compliance with fair employment practices.
- E. Concessionaire further agrees that these clauses (B through E) covering discrimination and equal opportunity practices in all matters of employment and training for employment will be incorporated by Concessionaire in all contracts or agreements he enters into with suppliers of materials or services, contractors and subcontractors, including all labor organizations who may furnish skilled, unskilled and craft union skilled labor, or who may perform any such labor or service in connection with this Agreement.
- F. Whenever Concessionaire is sued by a subcontractor, vendor, individual, group or association as a result of compliance with the clauses (A through E) of these provisions relating to fair employment practices, Concessionaire shall notify the City Counselor in writing of such suit or threatened suit within ten (10) days.
- G. Concessionaire will establish and maintain for the term of this Agreement an affirmative action program according to the Mayor's Executive Order on Equal Opportunity in Employment. The City reserves the right to take such action as the City of St. Louis and the United States Government may direct to enforce the above covenants.
- H. Concessionaire assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, sex, national origin or ancestry be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Concessionaire 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. Concessionaire assures that it will require that its covered sub organizations provide assurances to the City that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

- I. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in conjunction with the award or performance of any concession agreement, management contract or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23.
- J. The Concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and causes those businesses to similarly include the statements in further agreements.

Section 1403. No Personal Liability. No Alderman, Commissioner, Director, officer, agent or employee of either party shall be personally liable under or in connection with this Agreement.

Section 1404. <u>Force Majeure</u>. Neither the City nor Concessionaire shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, act of superior governmental authority, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible and which is not within its control.

Section 1405. <u>Successors and Assigns</u>. All of the terms, provisions, covenants, stipulations, conditions and considerations of this Agreement shall extend to and bind the legal representatives, successors, sublessees and assigns of the respective parties hereto.

Section 1406. <u>Quiet Enjoyment</u>. Subject to the terms, covenants and conditions of the Agreement, the City covenants that Concessionaire, on paying the fees and otherwise performing its covenants and other obligations hereunder, shall have quiet and peaceable possession of the Premises.

Section 1407. Operation and Maintenance of the Airport. The City shall at all times operate the Airport properly and in a sound and economical manner; and the City shall use reasonable effort to maintain, preserve and keep the same or cause the same to be maintained, preserved and kept with the appurtenances in good repair, working order and condition, and shall from time to time use reasonable effort to make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating airports of like size and character.

Section 1408. <u>Title to the Site</u>. The Premises from the date hereof until the expiration or early termination of this Agreement shall be owned in fee simple title by the City or in such lesser estate as in the opinion of the City Counselor is sufficient to permit the letting thereof by the City as herein provided for the full term provided in this Agreement.

Section 1409. Agreements with the United States. This Agreement is subject and subordinate to the provisions of any agreements heretofore made between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of Federal rights or property to the City for Airport purposes, or to the expenditure of Federal funds for the extension, expansion, or development of the Airport, including the expenditure of Federal funds for the development of the Airport in accordance with the provisions of the Airport and Airway Development Act as it has been amended from time to time.

Section 1410. <u>Modifications for Granting FAA Funds</u>. In the event that the Federal Aviation Administration requires, as a condition precedent to granting of funds for the improvement of the Airport, modifications or changes to this document, Concessionaire agrees to consent to such reasonable amendments, modifications, revisions, supplements, deletions of any of the terms, conditions, or requirements of this Agreement, as may be reasonably required to enable the City to obtain said Federal Aviation Administration funds, provided that in no event shall such changes substantially impair the rights of Concessionaire hereunder.

Section 1411. <u>Governing Law</u>. This Agreement shall be deemed to have been made in and be construed in accordance with the laws of the State of Missouri, and is subject to the City's Charter and ordinances, as they may be amended from time to time.

Section 1412. <u>Headings</u>. The headings of the Articles and Sections of this Agreement are inserted only as a matter of convenience and reference and in no way define, limit or describe 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.

Section 1413. <u>Amendments</u>. This Agreement may be amended from time to time by written agreement, duly authorized and executed by representatives of all the parties hereto.

Section 1414. <u>Previous Agreements</u>. It is expressly understood that the terms and provisions of this Agreement shall in no way affect or impair the terms, obligations or conditions of any existing or prior agreement between Concessionaire and the City.

Section 1415. Required Approvals. When the consent, approval, waiver, or certification of other party is required under the terms of this Agreement, such approval must be in writing and signed by the party approving. Whenever the approval of the City or the Director is required, the approval must be from the Director or his/her authorized or designated representative. The City and Concessionaire agree that extensions of time for performance may be made by the written mutual consent of the Director and Concessionaire or its designee. Whenever the approval of the City, or the Director, or of Concessionaire is required herein, no such approval shall be unreasonably requested, delayed, or withheld.

Section 1416. <u>Waivers</u>. No waiver of default by either party of any of the terms, covenants and conditions hereto to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein

contained to be performed, kept and observed by the other party. Any waiver must be in writing and signed by the party waiving.

Section 1417. <u>Invalid Provisions</u>. In the event any term, covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such term, covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided the invalidity of any such term, covenant, condition or provision does not materially prejudice either the City or Concessionaire in its respective rights and obligations contained in the valid terms, covenants, conditions and provisions of this Agreement.

Section 1418. 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 and this Agreement may be amended only in writing and executed by duly authorized representatives of the parties hereto.

Section 1419. <u>Not a Lease</u>. This Agreement is not a lease, and the right to use the Premises is entirely dependent upon the rights and privileges granted hereunder. Concessionaire will in no instance be deemed to have acquired any possessory rights against the City or the Premises or be deemed to be a tenant of the City.

Section 1420. <u>Advertising</u>. Concessionaire shall have no right to use the trademarks, symbols, trade names or name of the Airport or Premises, either directly or indirectly, in connection with any production, promotion service or publication without the prior written consent of the Director.

Section 1421. <u>Conflicts Between Tenants</u>. In the event of a conflict between Concessionaire and any other tenant, licensee or concessionaire, as to the respective rights of the others, the Director shall review the applicable agreements and by reasonable interpretation thereof determine the rights of each party, and Concessionaire agrees to be bound by such decision. All determinations by the Director are final and binding.

Section 1422. <u>Prevailing Wage</u>. Concessionaire shall, as a condition of the Agreement, include in all service contracts pertaining to the Premises, language specifying the minimum prevailing wages to be paid and fringe benefits to be provided by the service contractor to employees of said service contractor. This section is in accordance with and is subject to City Ordinance No. 62124.

Section 1423. Solicitation for Bids. This Section is deleted.

Section 1424. <u>Americans with Disabilities Act (ADA)</u>. Concessionaire shall be responsible for compliance with the Federal ADA, plus any federal, state, or local laws or regulations and City Ordinances pertaining to the disabled individual having access to Concessionaire's services.

Section 1425. <u>Time is of the Essence</u>. Time is of the essence in this Agreement. The parties agree that time shall be of the essence in the performance of each and every obligation and

condition of this Agreement.

Section 1426. <u>Acknowledgment of Terms and Conditions</u>. The parties affirm each has full knowledge of the terms, covenants, conditions and requirements contained in this Agreement. As such, the terms of this Agreement shall be fairly construed and the usual rule of construction, if applicable, to the effect that any ambiguities herein should be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any amendments, modifications or exhibits thereto.

Section 1427. <u>Security Plan and Facilities</u>. Concessionaire hereby acknowledges that the City is required by the Transportation Security Administration's (**TSA**) regulation 1542 to adopt and put into use facilities and procedures designed to prevent and deter persons and vehicles from unauthorized access to Airfield Operations Areas (**AOA**). The City has met said requirements by developing a master security plan for the Airport, and Concessionaire covenants and agrees to be fully bound by and immediately responsive to the requirements of the plan in connection with Concessionaire's exercise of the privileges granted to Concessionaire hereunder. Concessionaire will, within thirty (30) days of the City's request, reimburse the City for all fines or penalties imposed upon City by the TSA or the FAA resulting from Concessionaire's negligence or failure to act in relation to TSA regulation 1542 or any other applicable airport security regulations.

Section 1428. <u>Environmental Notice</u>. Concessionaire shall promptly notify the Director of (i) any change in the nature of the Concessionaire's operations on the Premises that will materially and/or substantially change the Concessionaire's or City's potential obligations or liabilities under the environmental laws; or (ii) the commencement by any governmental entity of a formal administrative proceeding before an administrative law judge or a civil or criminal action before a judicial tribunal alleging a violation of any environmental law in connection with Concessionaire's operations on the Premises.

Section 1429. <u>Living Wage Compliance Provisions</u>. This Agreement is subject to the St. Louis Living Wage Ordinance No. 65597 (**Ordinance**) and the Regulations associated therewith, as may be amended from time to time. Copies of Ordinance and Regulations may be obtained by contacting Mr. Jack Thomas, Assistant Airport Director, M/W/DBE Certification and Compliance Office, P.O. Box 10212, St. Louis, Missouri, 63145-0212 and are incorporated herein by reference. The Ordinance and Regulations require the following compliance measures, and Concessionaire hereby warrants, represents, stipulates and agrees to comply with these measures:

- A. Minimum Compensation: Concessionaire hereby agrees to pay an initial hourly wage to each employee performing services related to this Agreement in an amount no less than the amount stated on the attached Living Wage Bulletin (Exhibit B), which is incorporated herein. The initial rate shall be adjusted each year no later than April 1, and Concessionaire hereby agrees to adjust the initial hourly rate to the adjusted rate specified in the Living Wage Bulletin at the time the Living Wage Bulletin is issued.
- B. Notification: Concessionaire shall provide the Living Wage Bulletin to all employees, together with a "Notice of Coverage", in English, Spanish and other languages spoken by a

significant number of Concessionaire's employees within thirty (30) days of Agreement execution for existing employees and within thirty (30) days of employment for new employees.

- C. Posting: Concessionaire shall post the Living Wage Bulletin, together with a "Notice of Coverage", in English, Spanish and other languages spoken by a significant number of Concessionaire's employees, in a prominent place in a communal area of each worksite covered by the Agreement.
- D. Subcontractors and Sublessees: Concessionaire hereby agrees to require Subcontractors and Sublessees, as defined in the Regulations, to comply with the requirements of the Living Wage Regulations, and hereby agrees to be responsible for the compliance of such Subcontractors and Sublessees. Concessionaire shall include these Living Wage Compliance Provisions in any contract with such Subcontractors and Sublessees.
- E. Term of Compliance: Concessionaire hereby agrees to comply with these Living Wage Compliance Provisions and with the Regulations for the entire term of the Agreement, and to submit the reports required by the Regulations for each calendar year or portion thereof during which such Agreement is in effect.
- F. Reporting: Concessionaire shall provide the annual reports and attachments required by the Ordinance and Regulations.
- G. Penalties: Concessionaire acknowledges and agrees that failure to comply with any provision of the Ordinance and/or Regulations and/or providing false information may result in the imposition of penalties specified in the Ordinance and/or Regulations. These penalties, as provided in the Ordinance and Regulations, may include, without limitation, suspension or termination of the Agreement, disbarment, and/or the payment of liquidated damages, as provided in the Ordinance and Regulations.
- H. Concessionaire hereby acknowledges receipt of a copy of the Ordinance and Regulations.

Notwithstanding the preceding, all of the provisions of this Section 1429, or any part thereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms. (See Sec. 3(G) of City Ordinance 65597).

(The balance of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto for themselves, their successors and assigns, have executed this Agreement the day and year last written below. CONCESSIONAIRE BY: ATTESTED TO BY: CHRISTOPHER G. TOWNSEND Title: Title: Vice President Date: 3/19/08 03/19/08 Date: FEDERAL TAX ID# 52-1242 334 THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® pursuant to City Ordinance # 61983 approved the at day of June, 2008 The foregoing Agreement was approved by the Airport Commission at its meeting on the 7th day of May 200 Commission Chairman and Date Director of Airports The foregoing Agreement was approved by the Board of Estimate and Apportionment at its meeting on the 215 T day of May Board of Estimate and Apportionment COUNTERSIGNED APPROVED AS TO FORM ONLY BY: City Counselor Comptroller Date Date City of St. Louis City of St. Louis

Date

DOCUMENT #

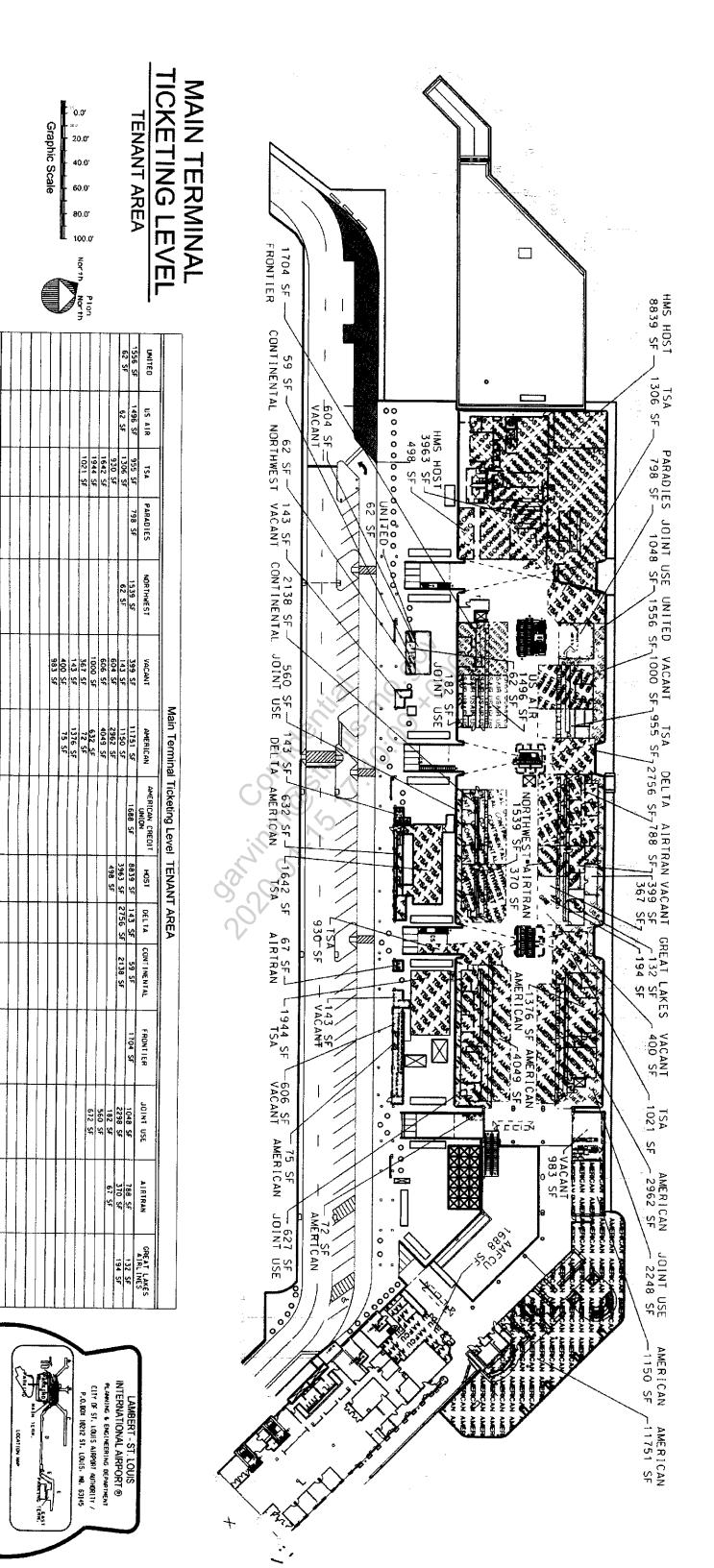
ATTESTED TO BY:

### **EXHIBIT "A"**

### **PREMISES**

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# LAMBERT - ST. LOUIS INTERNATIONAL AIRPORT EXHIBIT "A"



7798 SF 798 SF

1688 SF

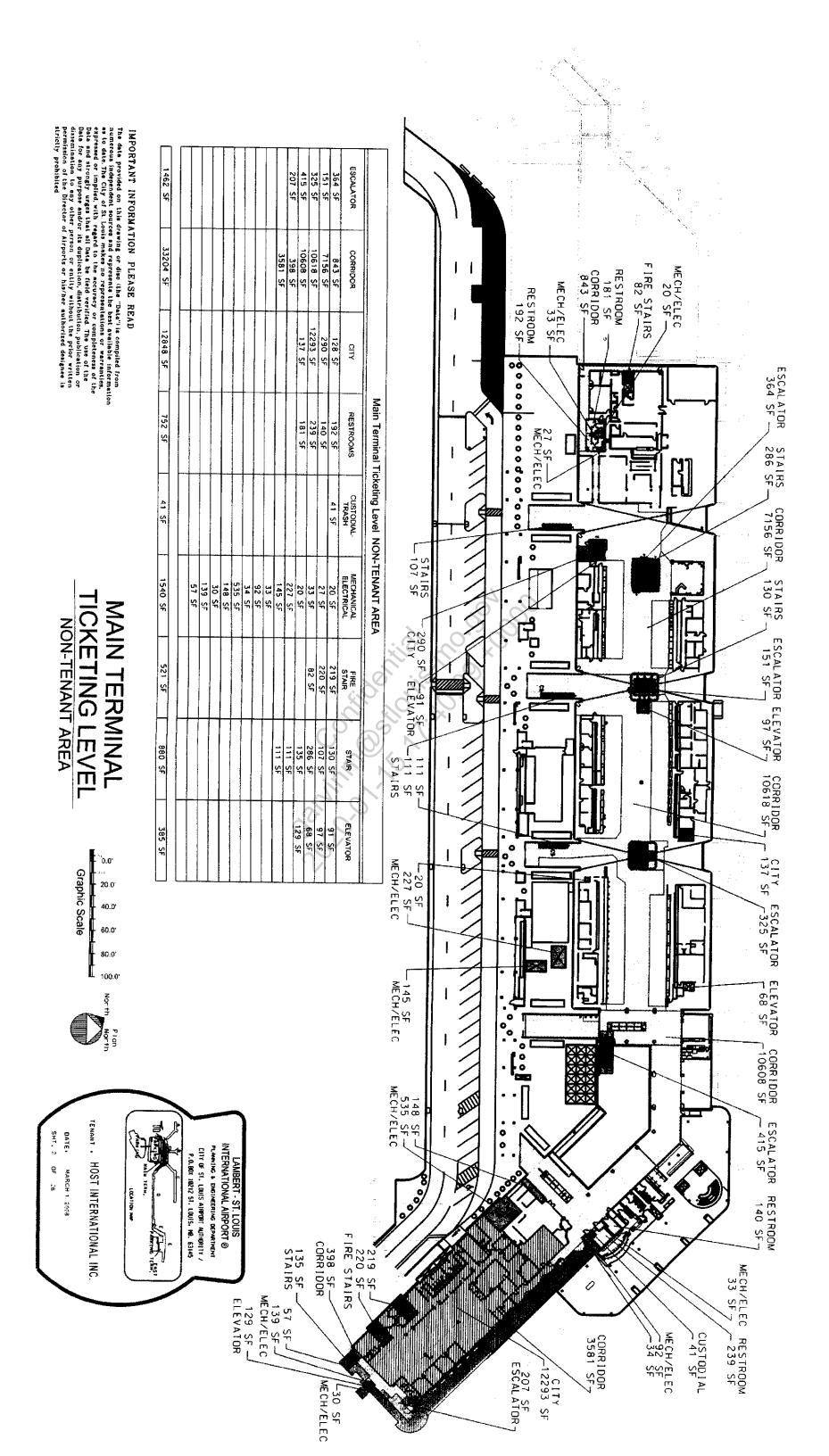
13300 SF 2899 SF

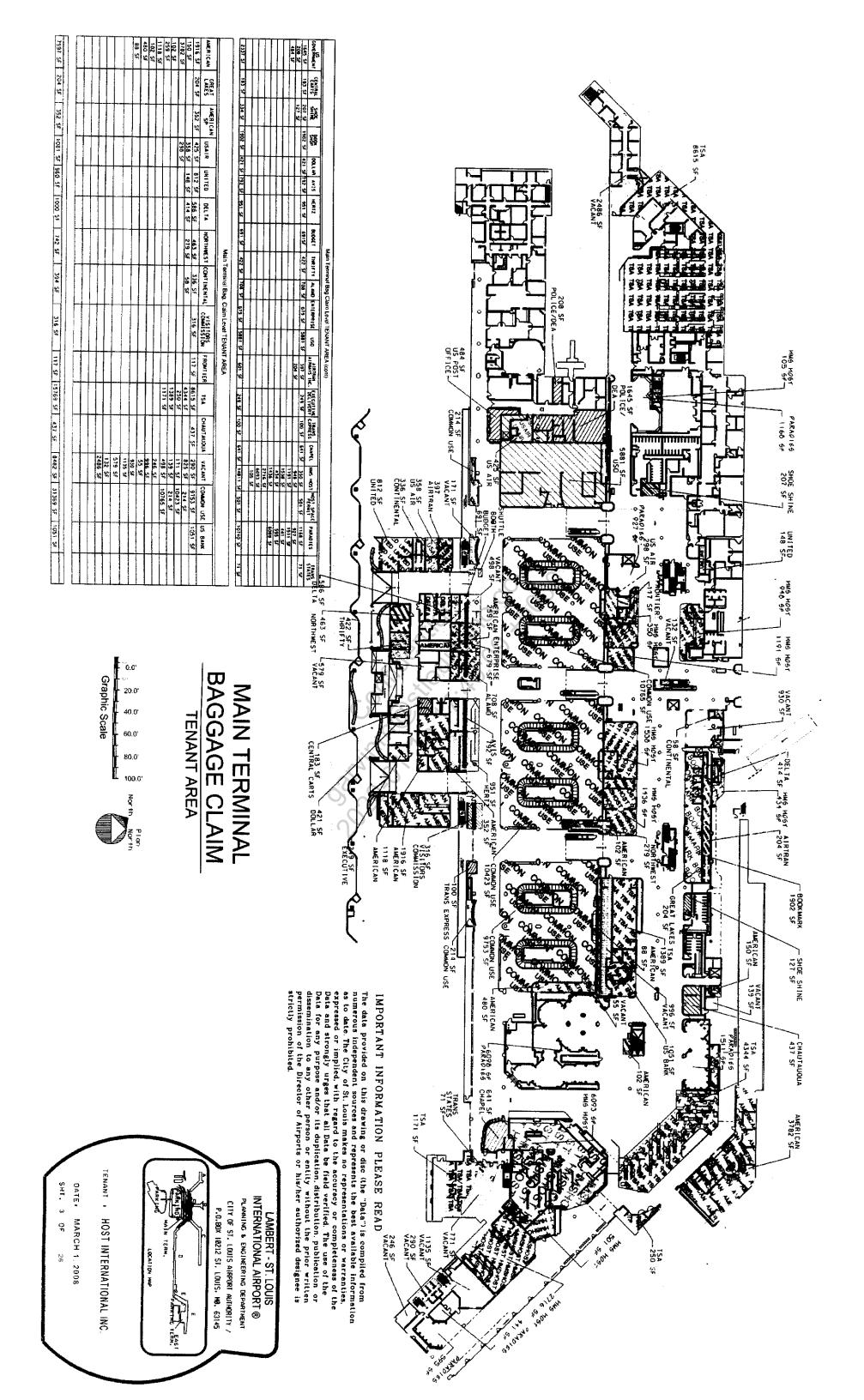
1704 SF

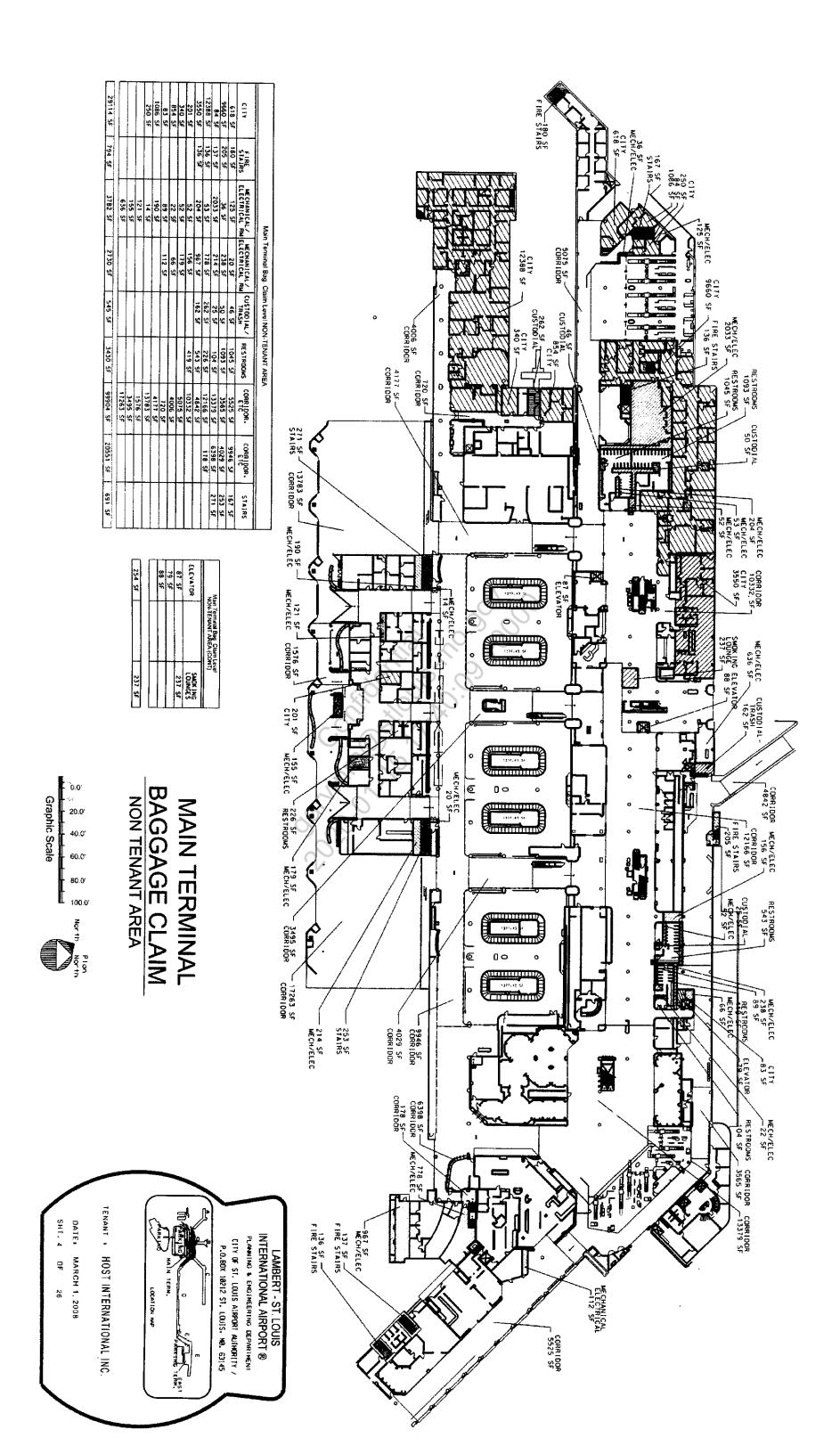
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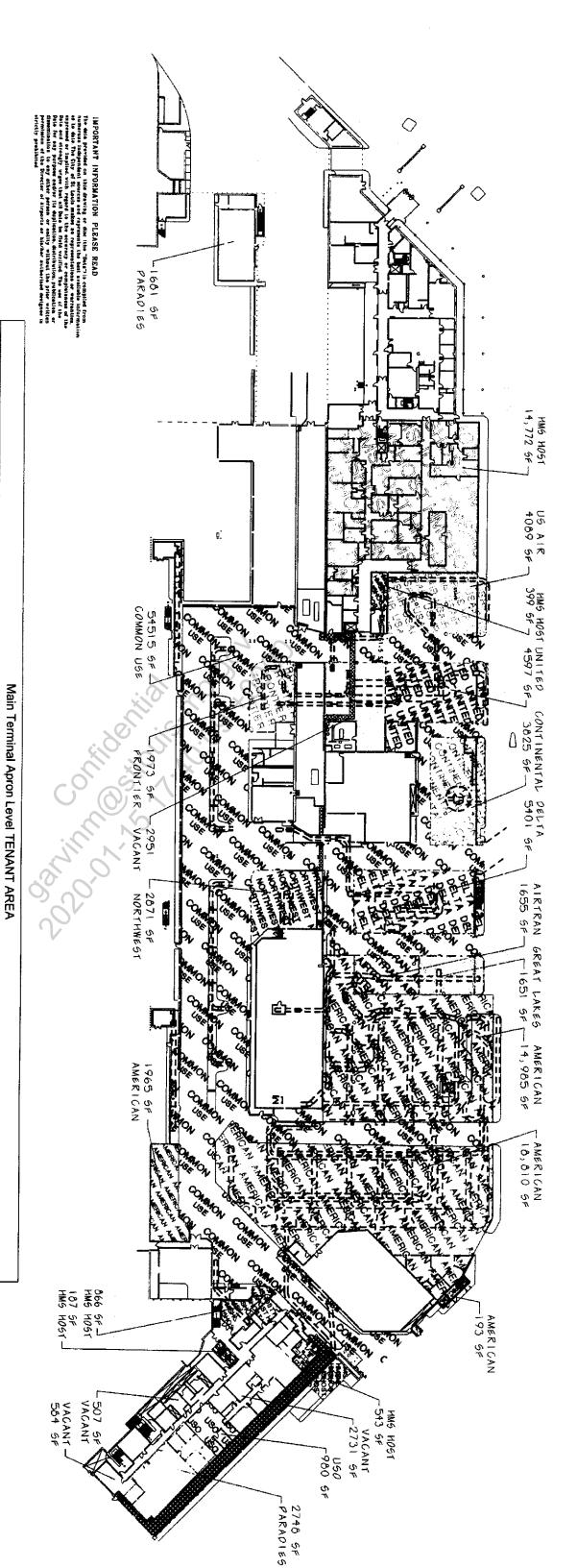
DATE

MARCH 1 2068









### MAIN TERMINAL APRON LEVEL

14985 SF 18810 SF 193 SF

4089 SF US AIR

5397 DELTA

965 SF

AMERICAN

OBLIND 4597 SF

NORTHWEST 2871 SF

FRONTIER 1973 SF

CONTINENTAL

HMS HOST PARADIES SPACE

VACANT

COMMON USE 54515 SF

1655 SF AIRTRAN

980 SF OSU

LAMBERT - ST. LOUIS
INTERNATIONAL AIRPORT ®
PLANNING & ENGINEERING DEPARTMENT
CITY OF ST. LOUIS AIRPORT AUTHORITY /
P.O.BOX 18212 ST. LOUIS. MB. 63145

GREAT LAKES 1651 SF

399 SF 543 SF 866 SF 187 SF

2731 SF 432 SF 507 SF 584 SF

TENANT AREA

40.0

35953

왕

16767 SF

4765 SF

7205 SF

54515

980 SF

1651 SF

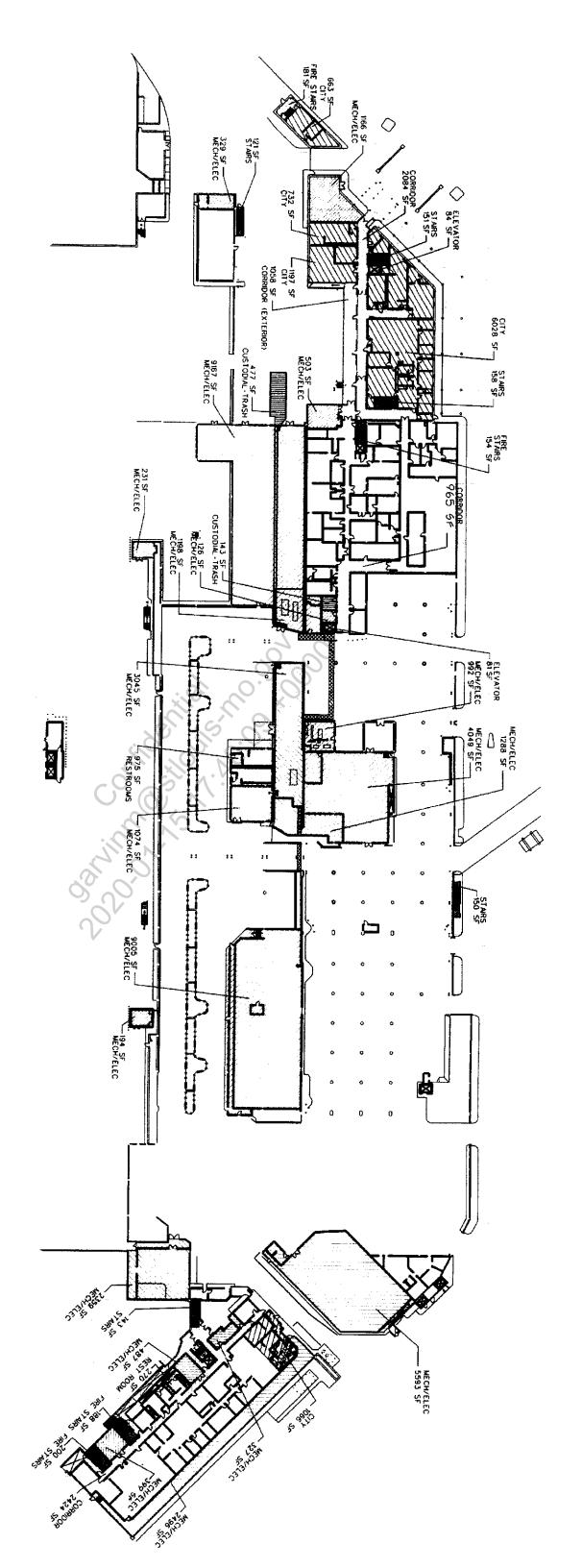
TENANT . HOST INTERNATIONAL INC.

COCATION SUP

DATE: MARCH 1 2088

``0.0'

Graphic Scale



## APRON LEVEL NON TENANT AREA

100.0°

60.01

Graphic Scale

IMPORTANT INFORMATION FLEASE READ. The data provide on this drawing of the file. Data it is compiled from numerous independent source and represent the rety workbet information as to date the file of the found internal information as to date the file of the found internal information as to present or implied, with regard to the accuracy or completeness of the base and strongly larger to be probes to stretch ordered to use of the that for any fairful management of the file of the fi

CITY | FIRE | MECHANICAL / STAIRS | LIECTRICAL RIAL | LIECTRICAL AND TENANT AREA |

66.3 SF | 200 SF | 9167 SF | 3045 SF | 477 SF | 975 SF | 2084 SF | 121 SF |

1197 SF | 158 SF | 329 SF | 194 SF | 143 SF | 270 SF | 2424 SF | 81 SF | 151 SF |

6028 SF | 154 SF | 1166 SF | 9005 SF | 198 SF | 1058 SF | 158 SF |

1066 SF | 158 SF | 1198 SF | 127 SF | 159 SF | 159 SF |

1066 SF | 158 SF | 128 SF | 1198 SF | 126 SF | 127 SF |

1066 SF | 158 SF | 128 SF | 128 SF | 128 SF |

1074 SF | 1245 SF | 1245 SF | 1245 SF | 6531 SF | 165 SF | 723 SF |

108 SF | 2491 SF | 1218 SF | 620 SF | 1245 SF | 6531 SF | 165 SF | 723 SF |

109 SF | 143 SF | 1245 SF |

109 SF | 124 SF | 1245 SF |

TENANT . HOST INTERNATIONAL INC.

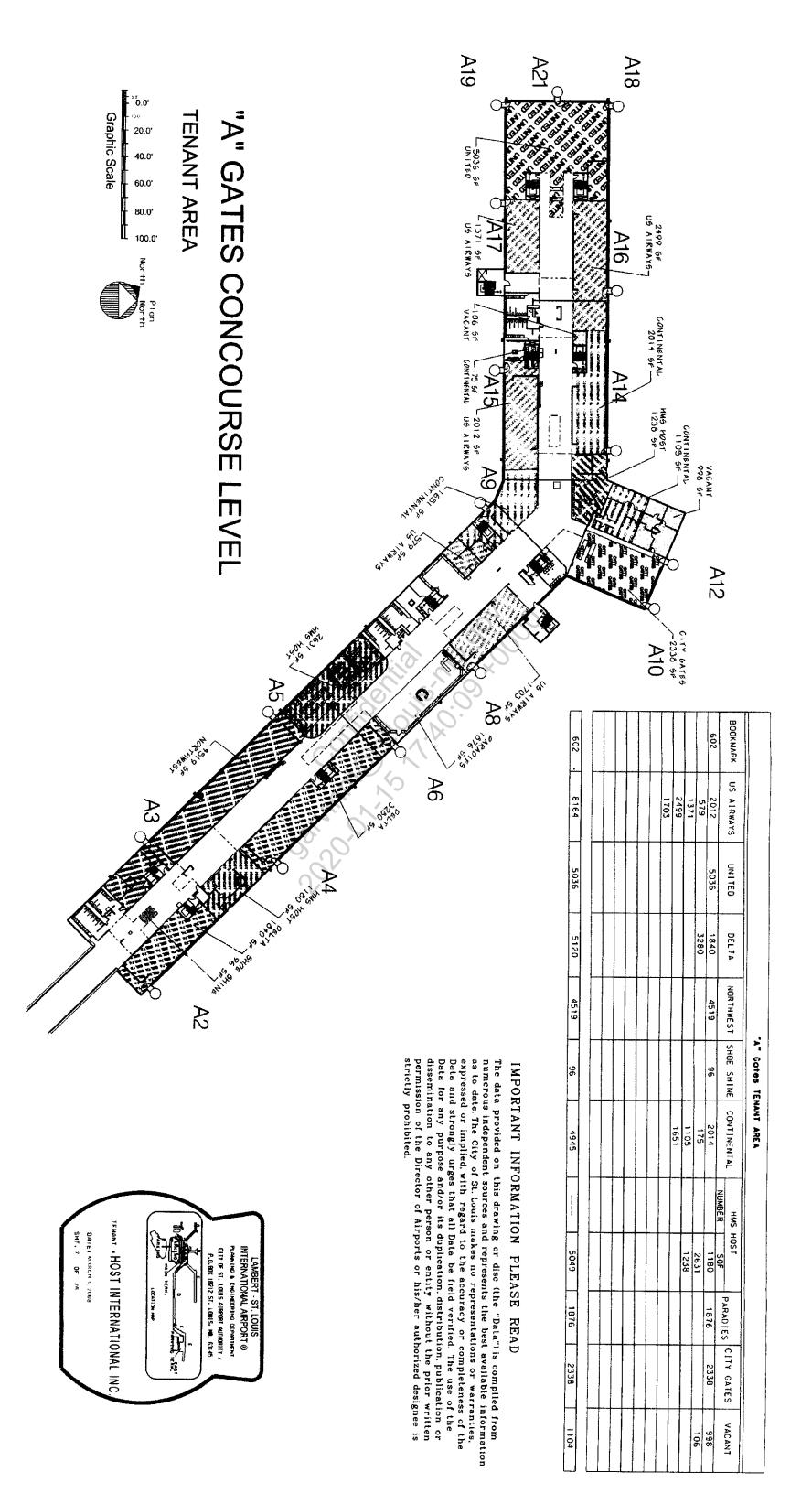
LAMBERT - ST. LOUIS
INTERNATIONAL AIRPORT ®
PLANNING & ENGINEERING DEPARTMENT

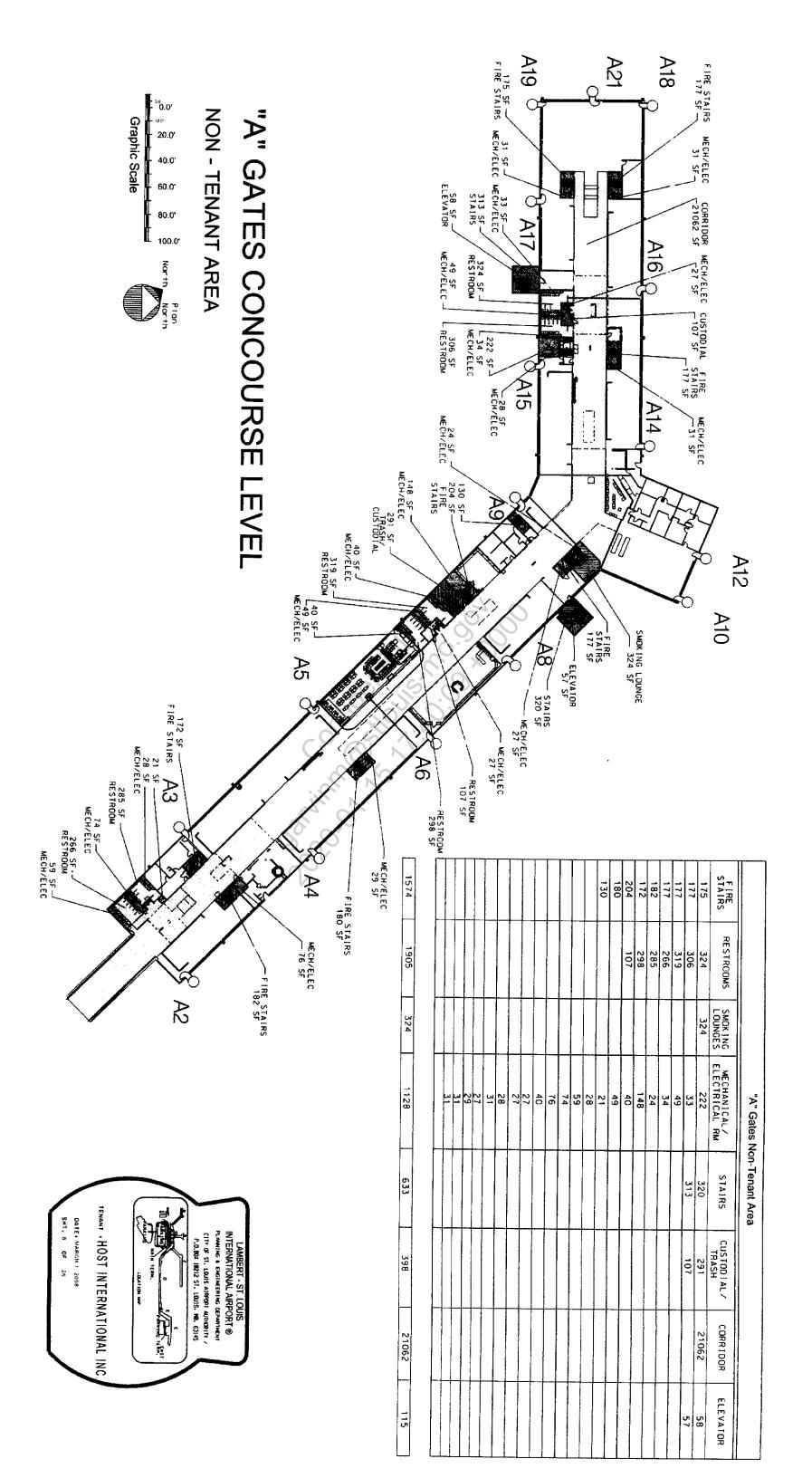
CITY OF ST. LOUIS AIRPORT AUTHORITY / P.O.BOX 18212 ST. LOUIS, MB. 63145

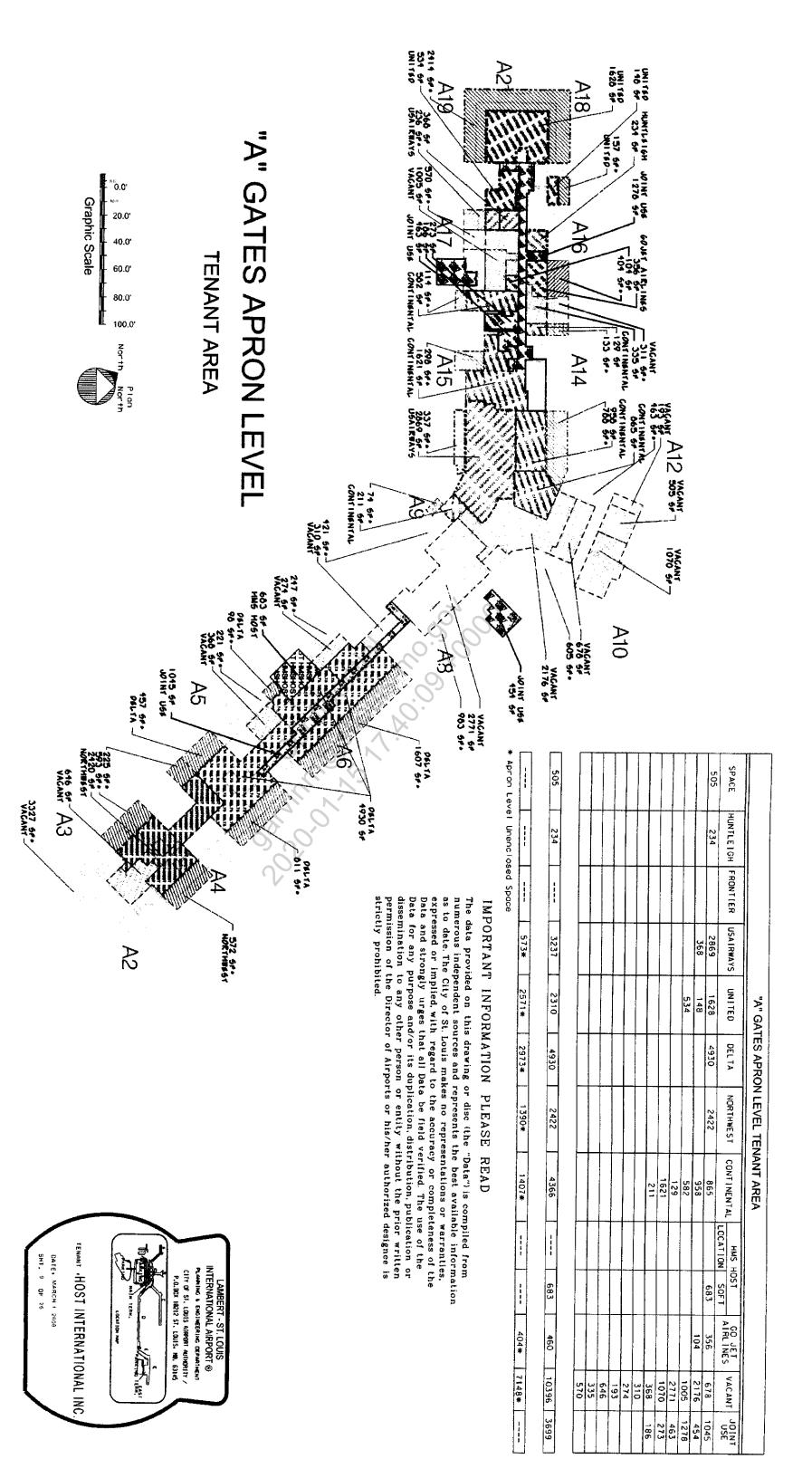
TEAH, LOCATION MAP

DATE: MARCH 1, 2008

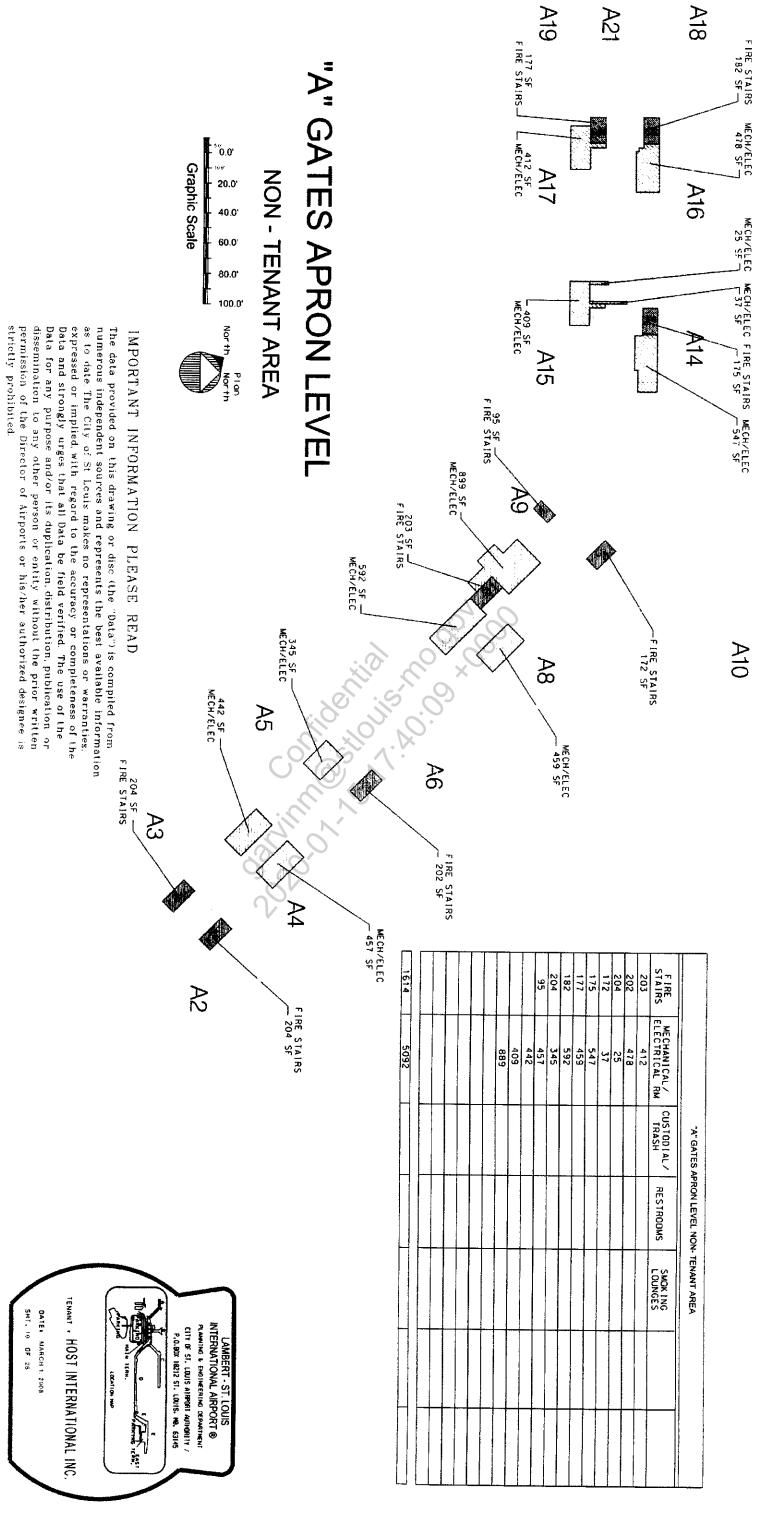
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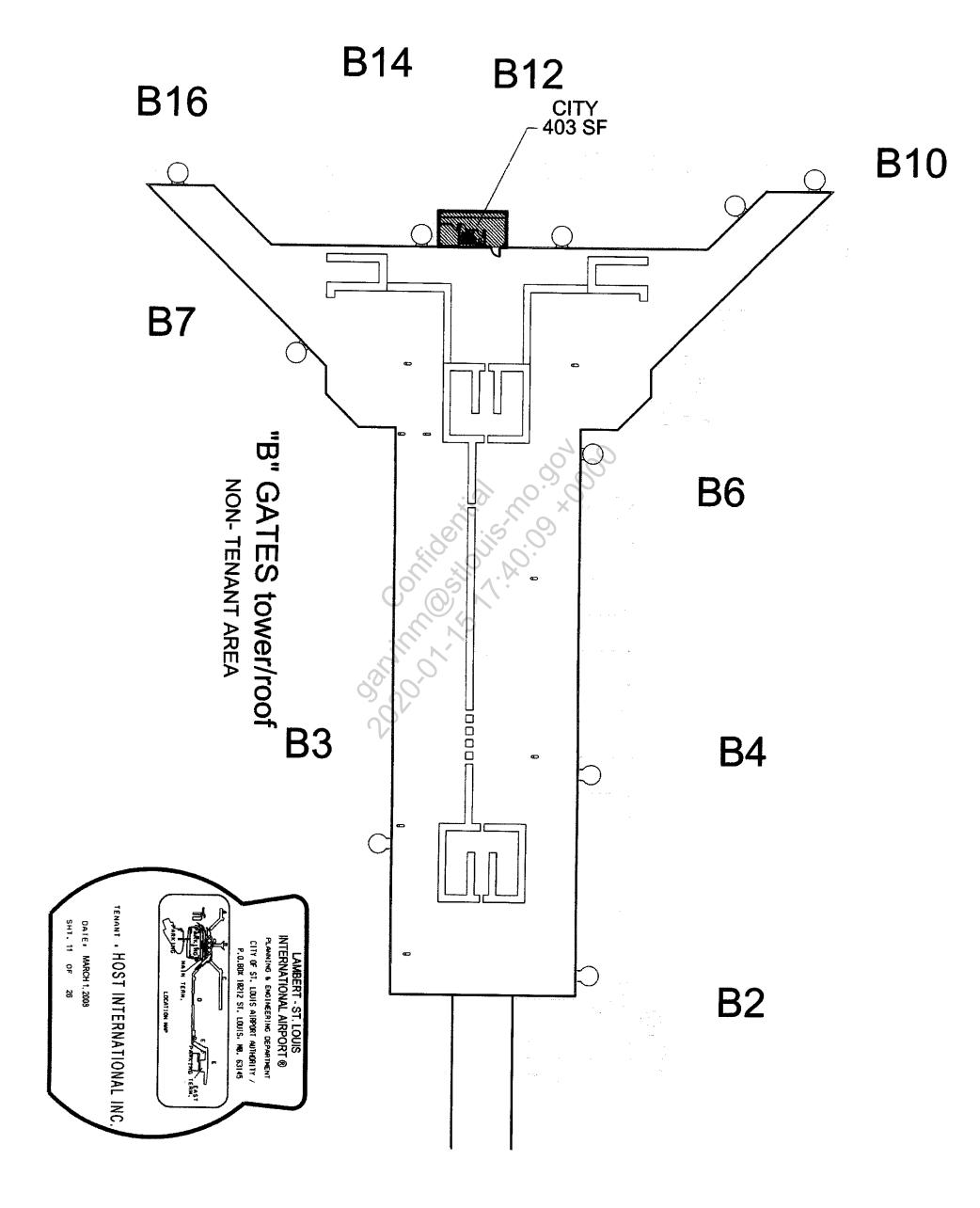


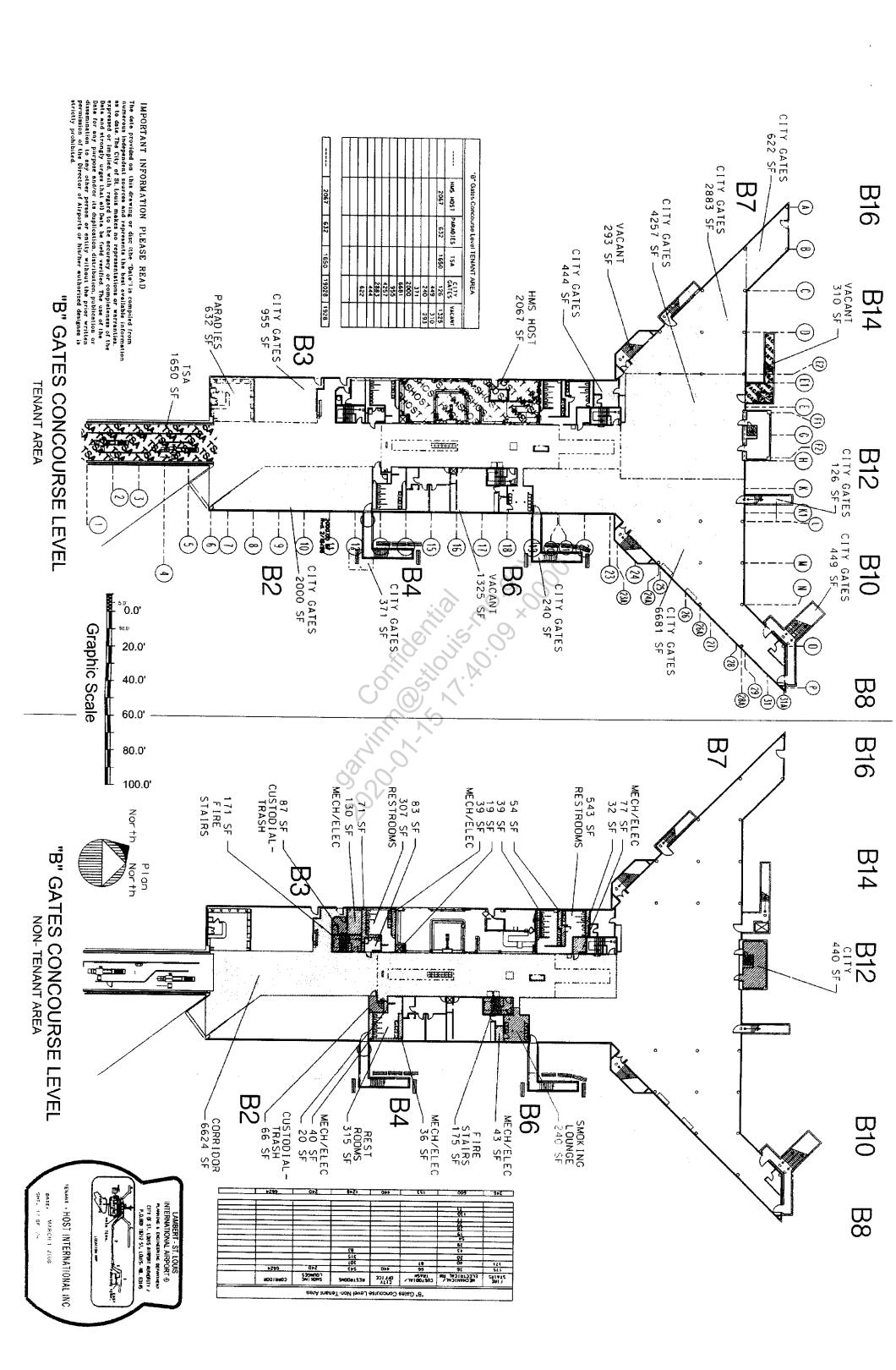


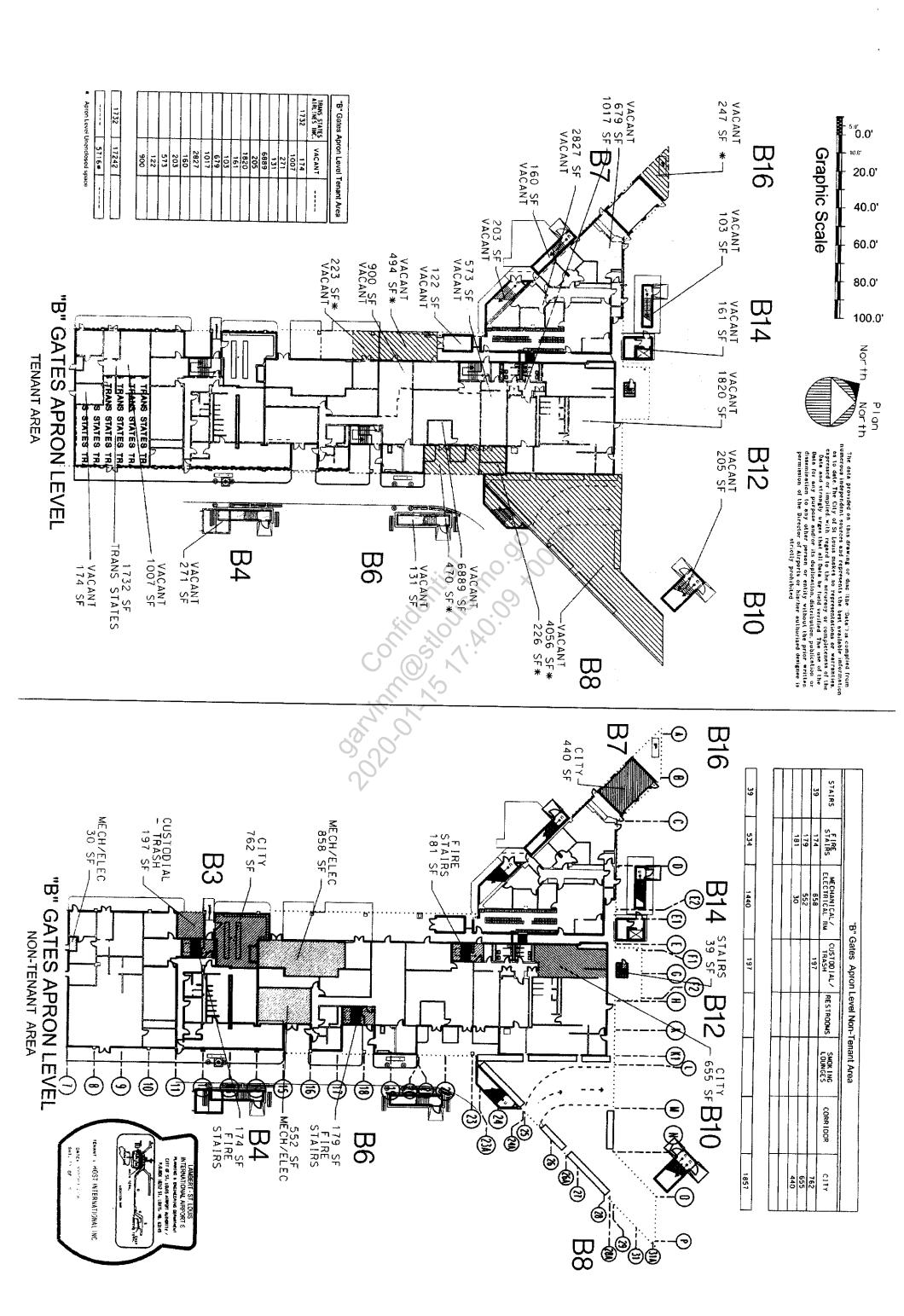


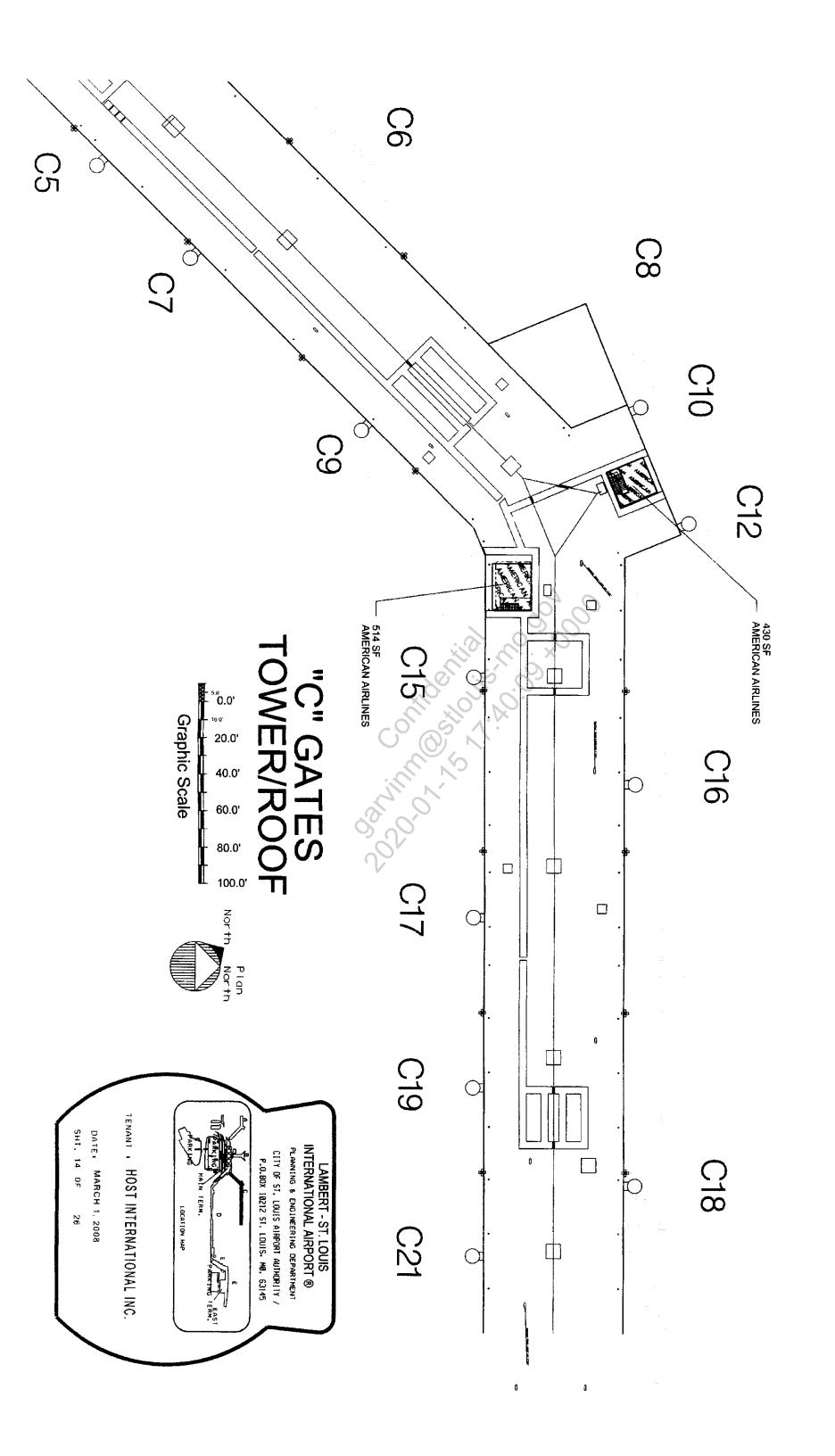


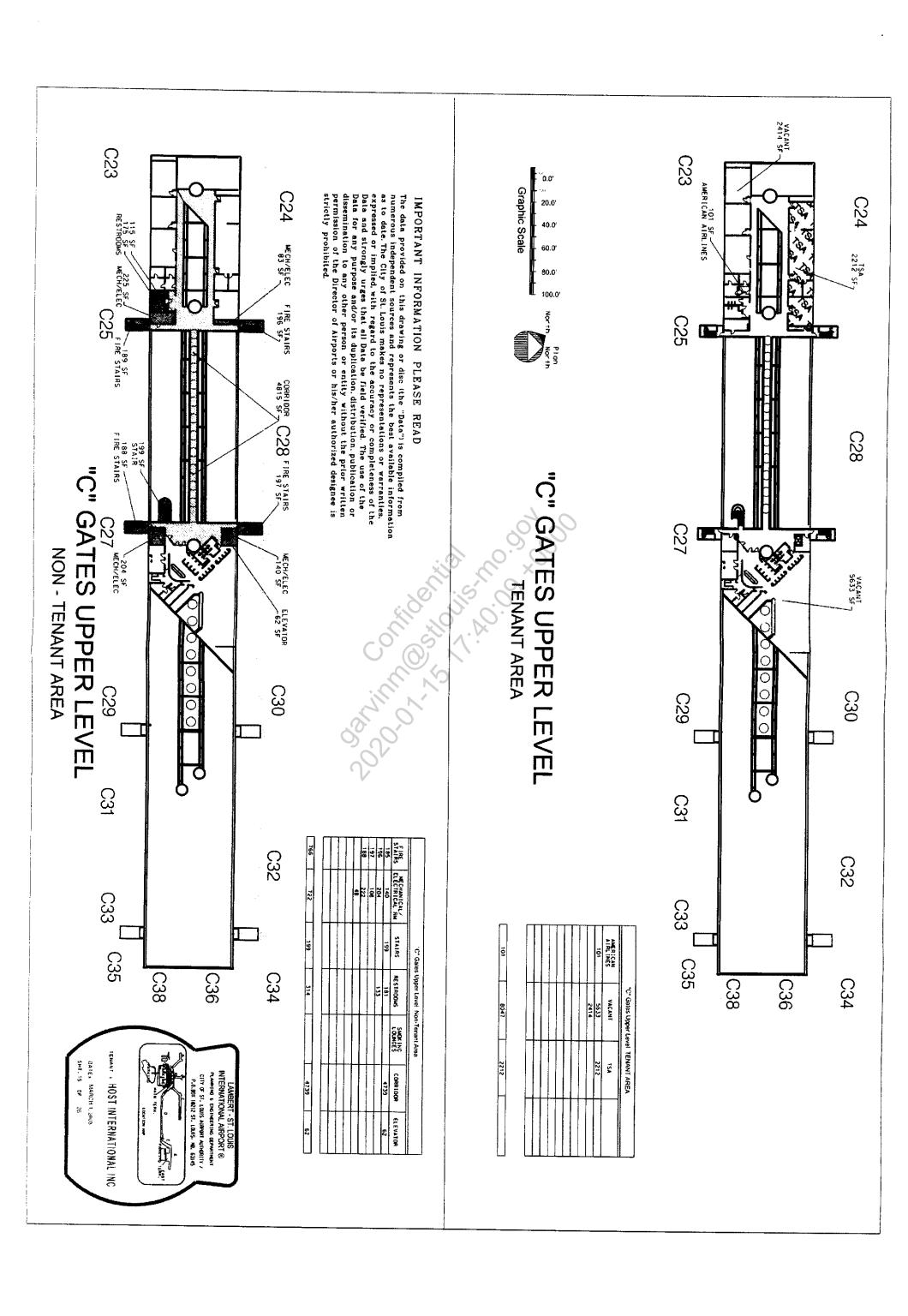


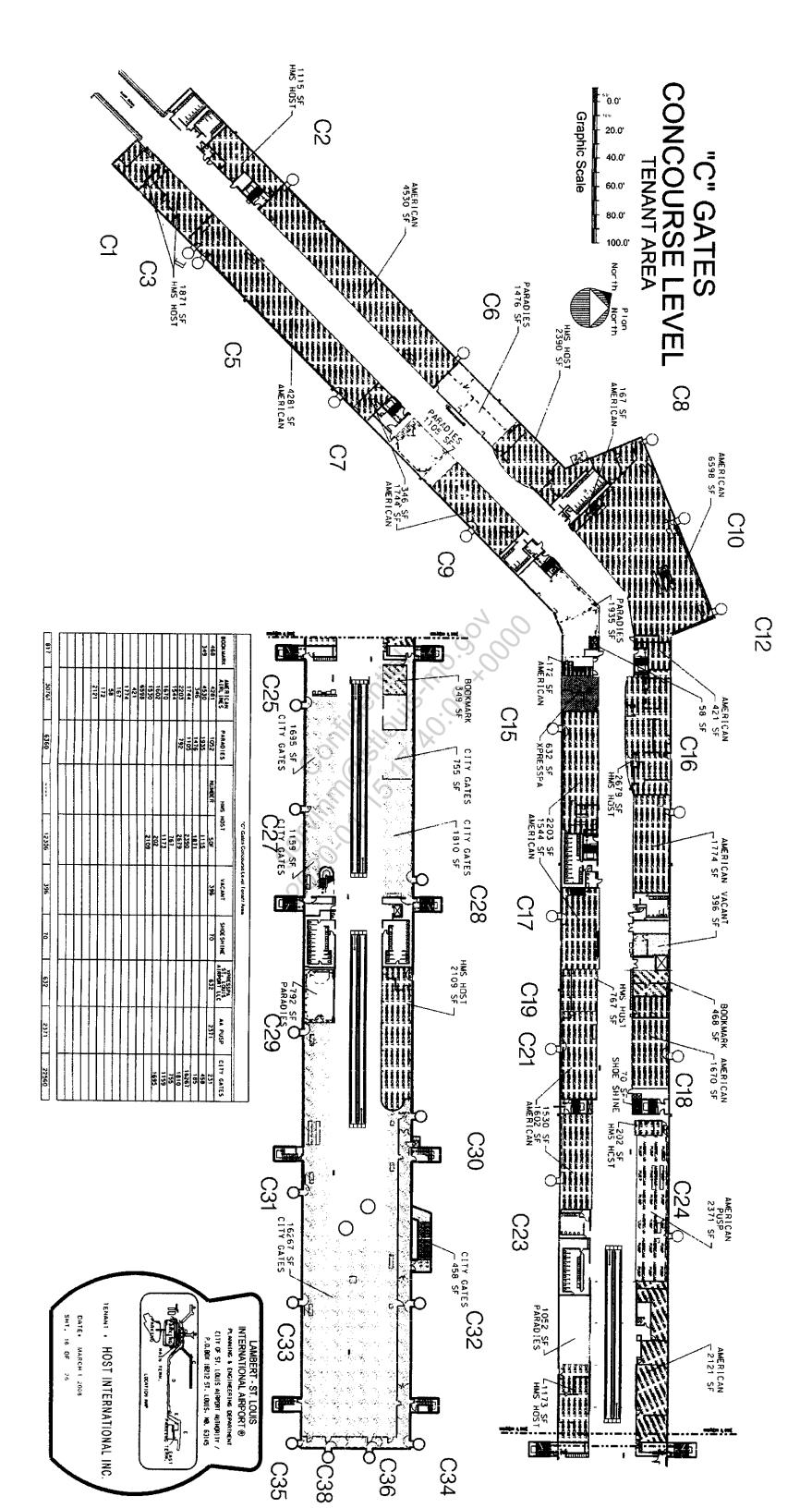


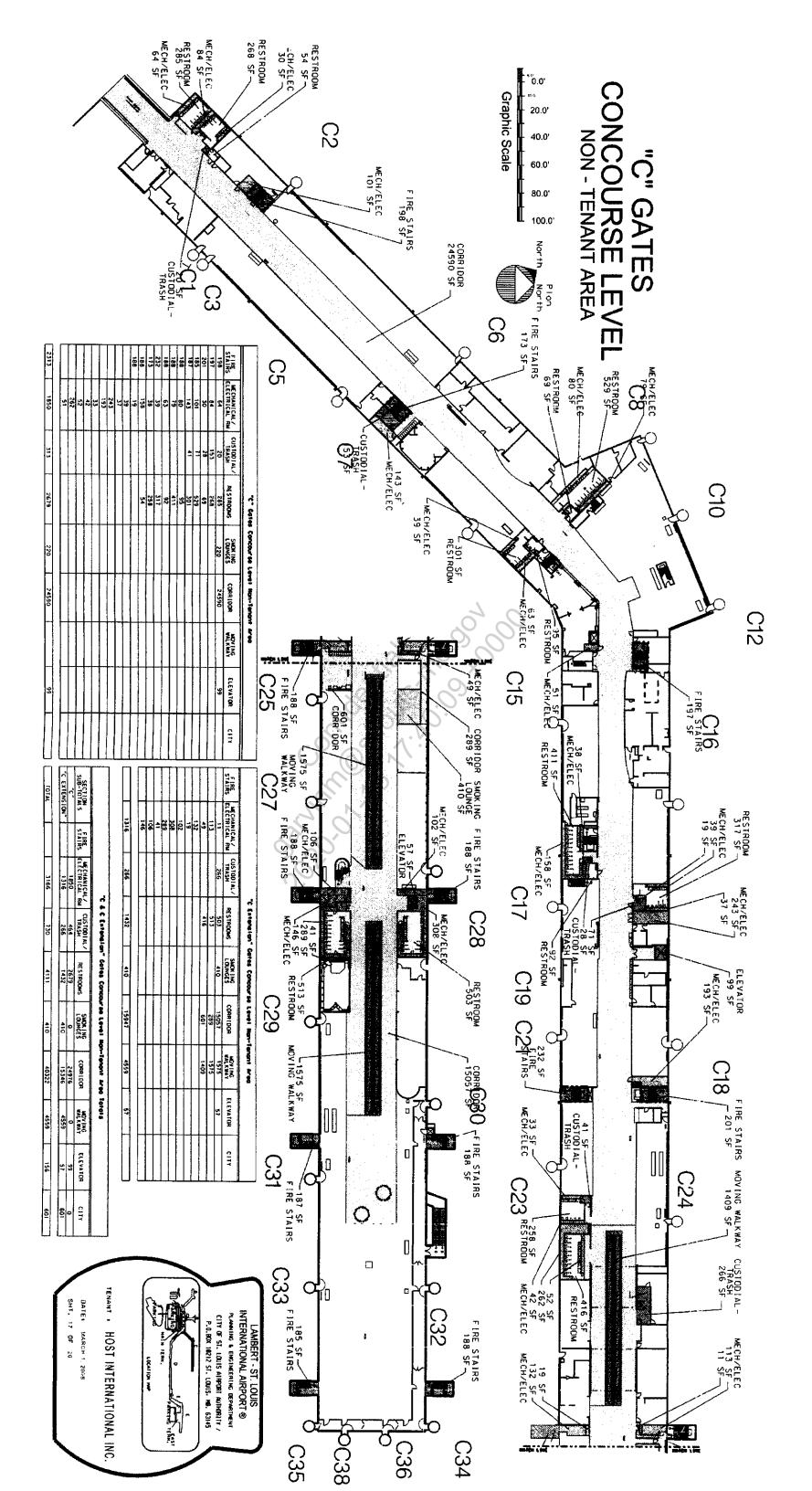


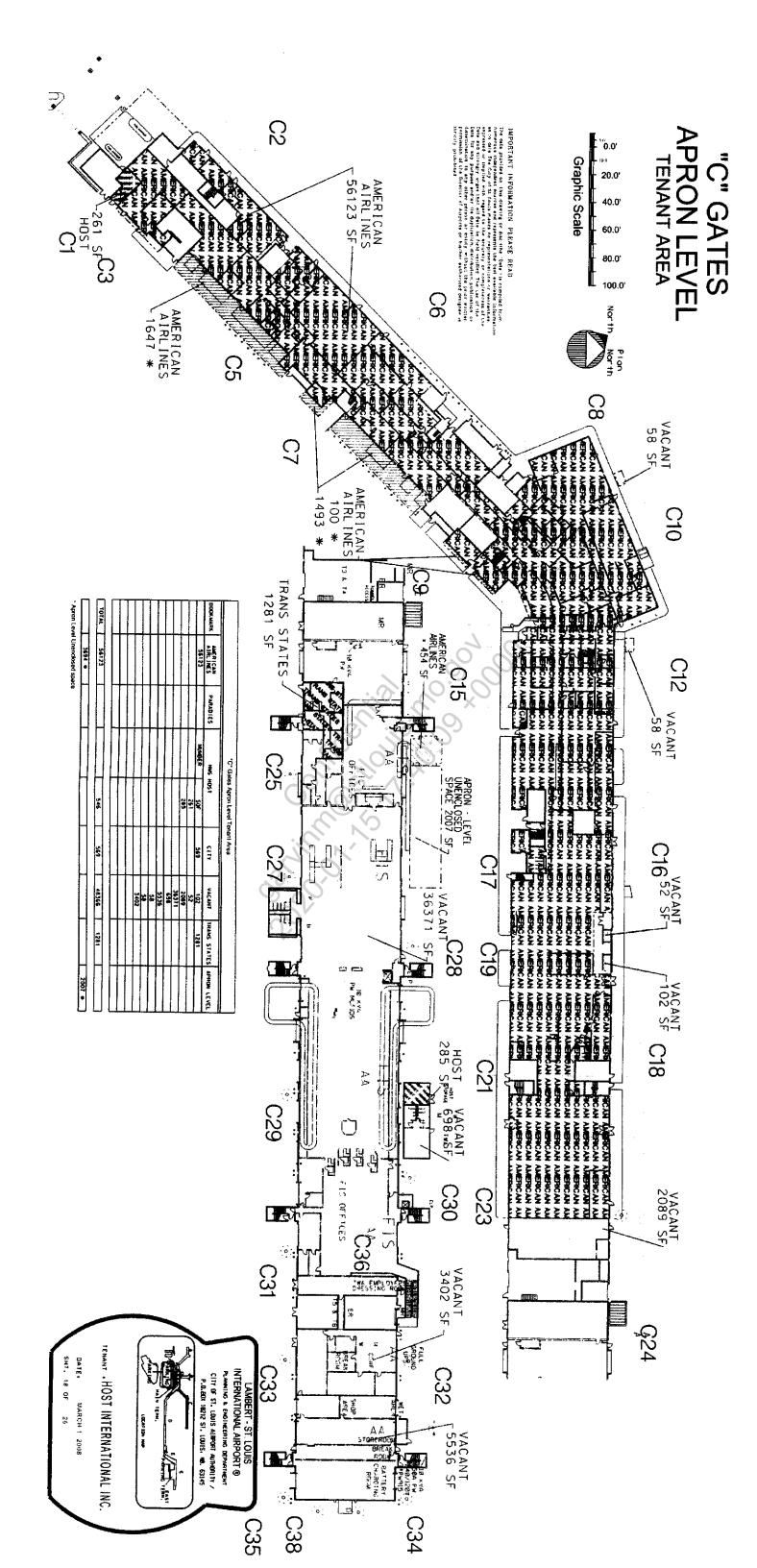


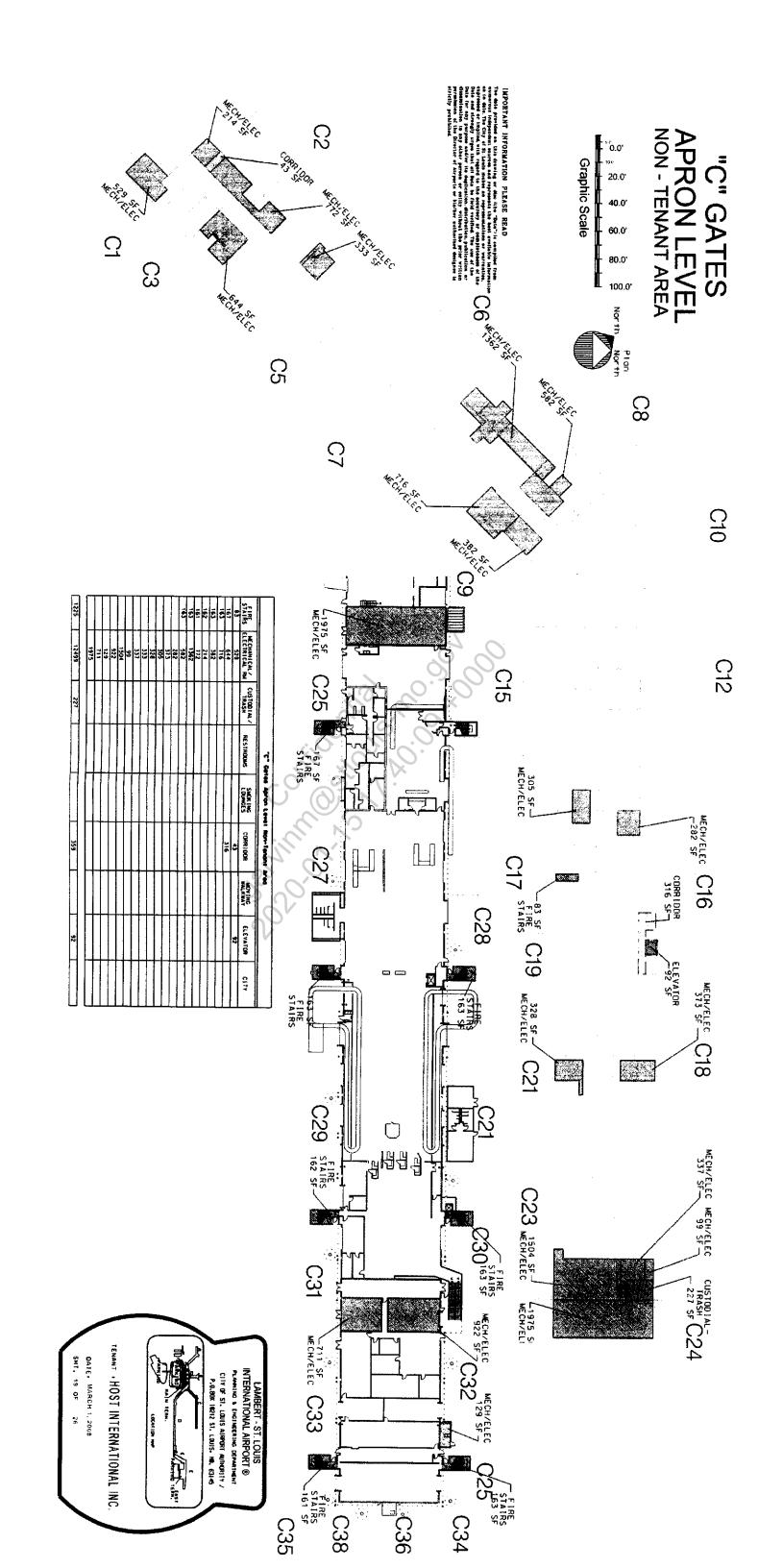


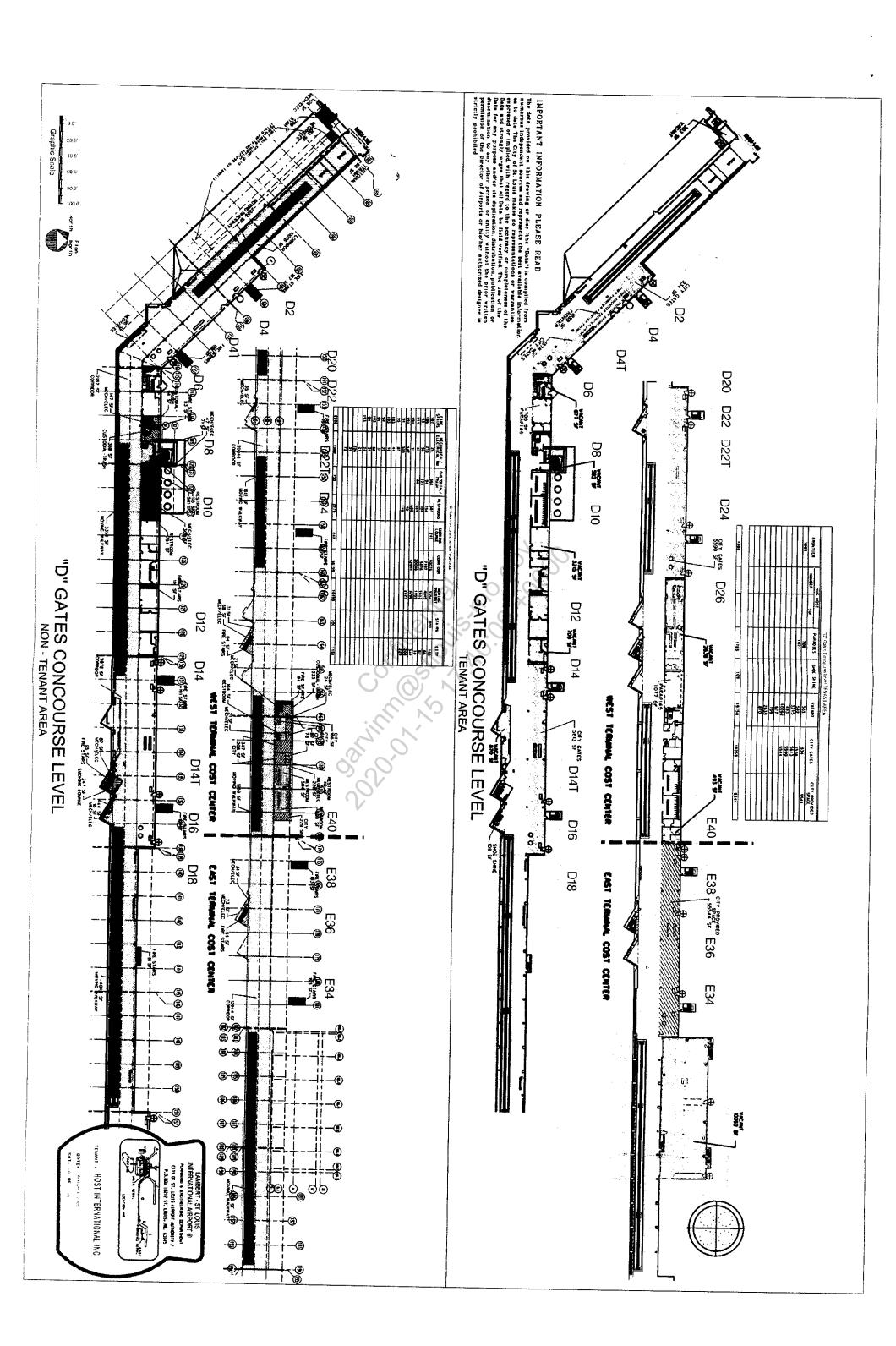


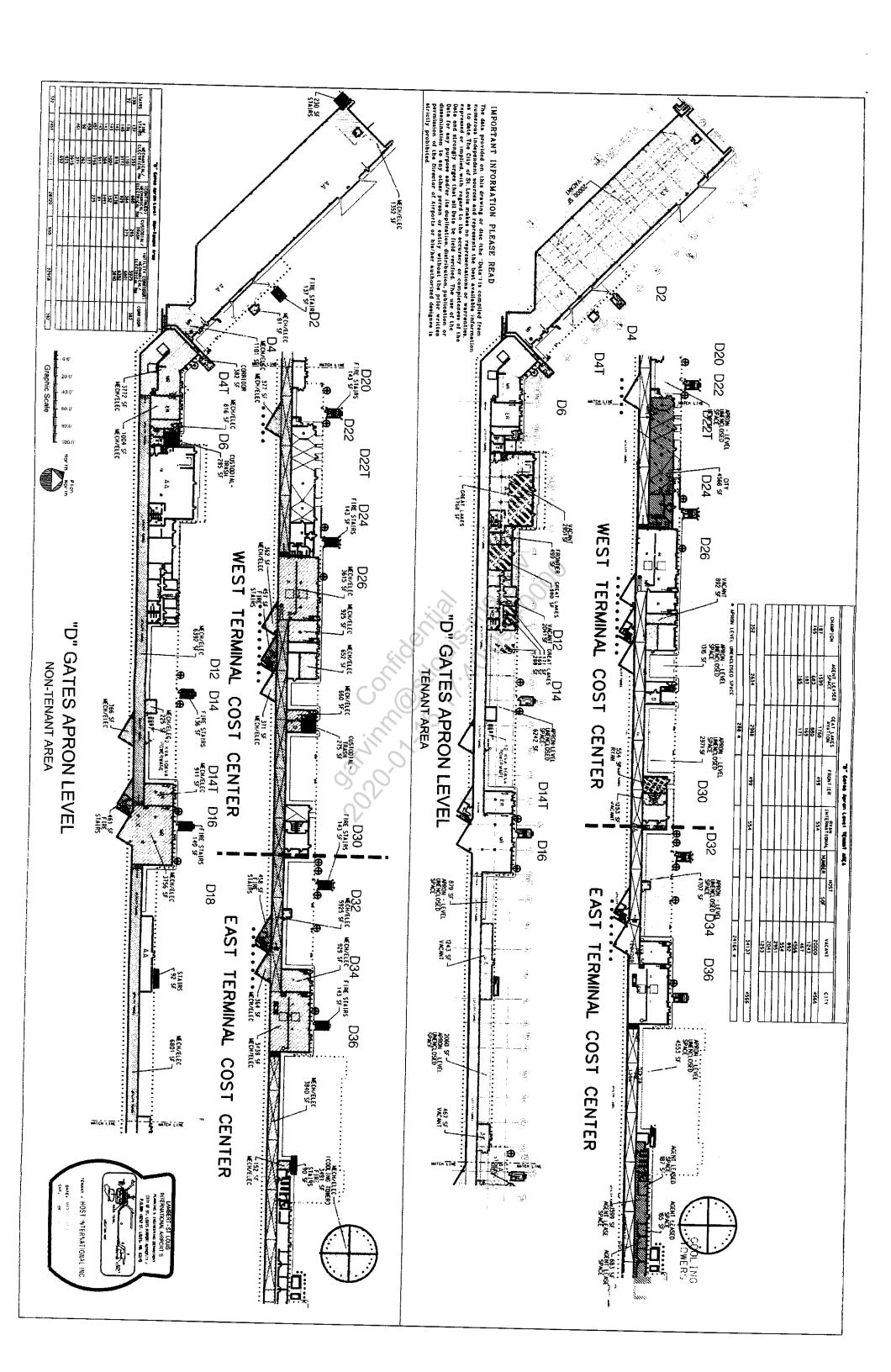


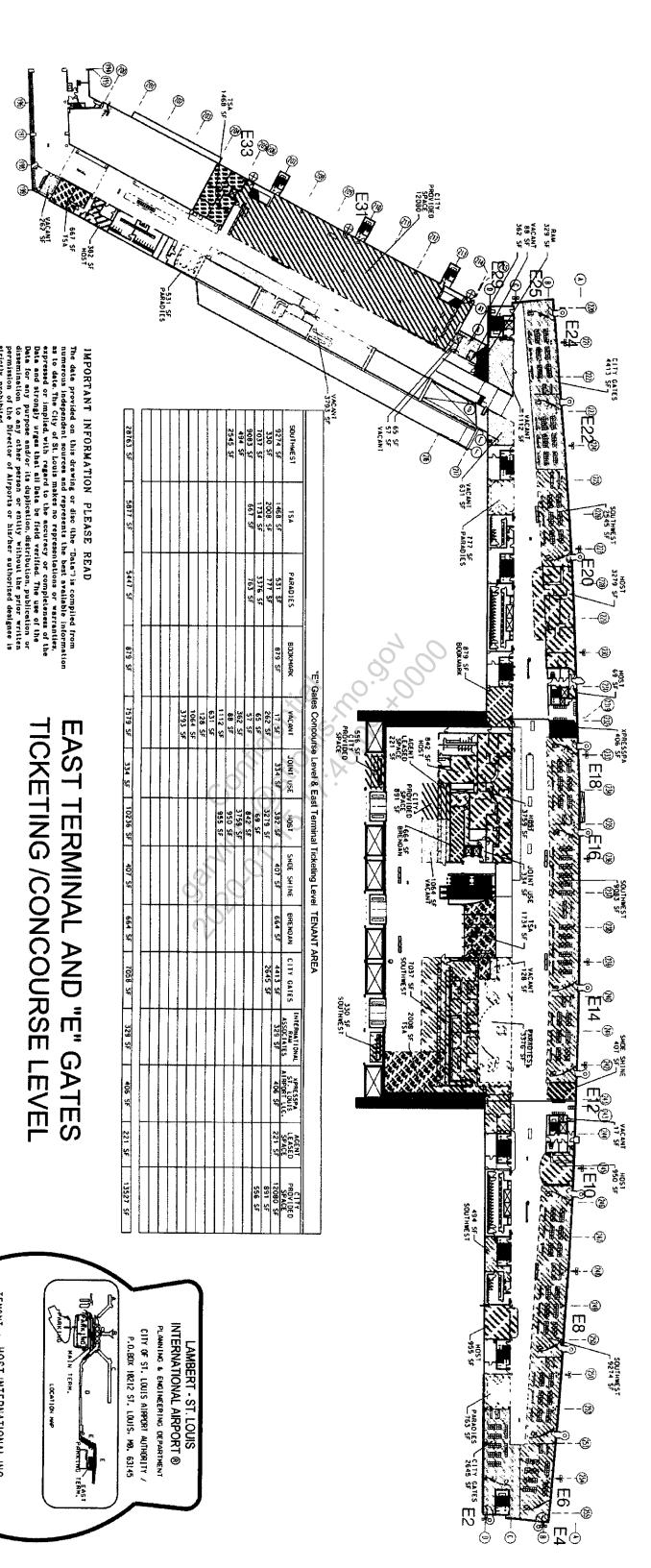












(3)

**FICKETING /CONCOURSE LEVEL** 

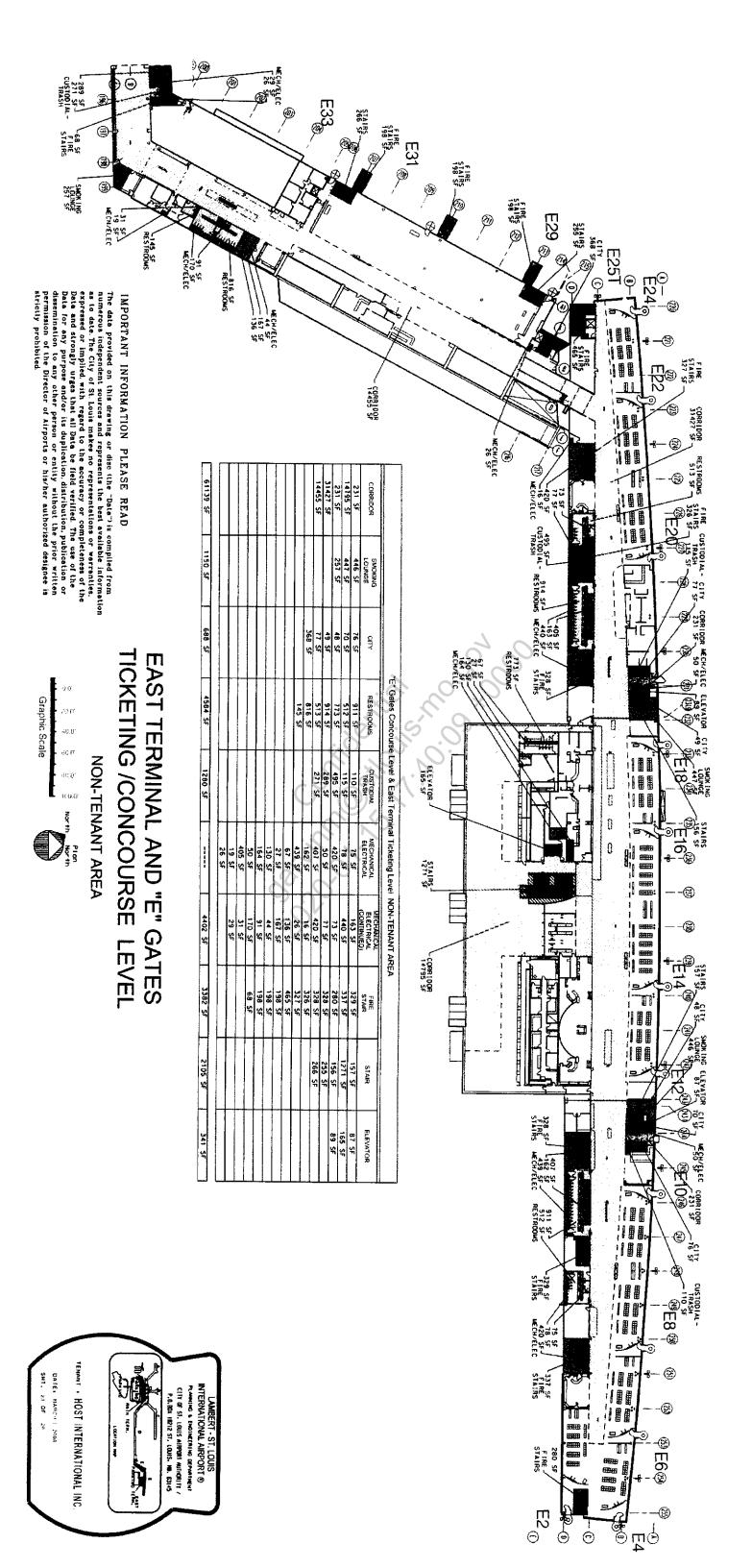
TENANT AREA

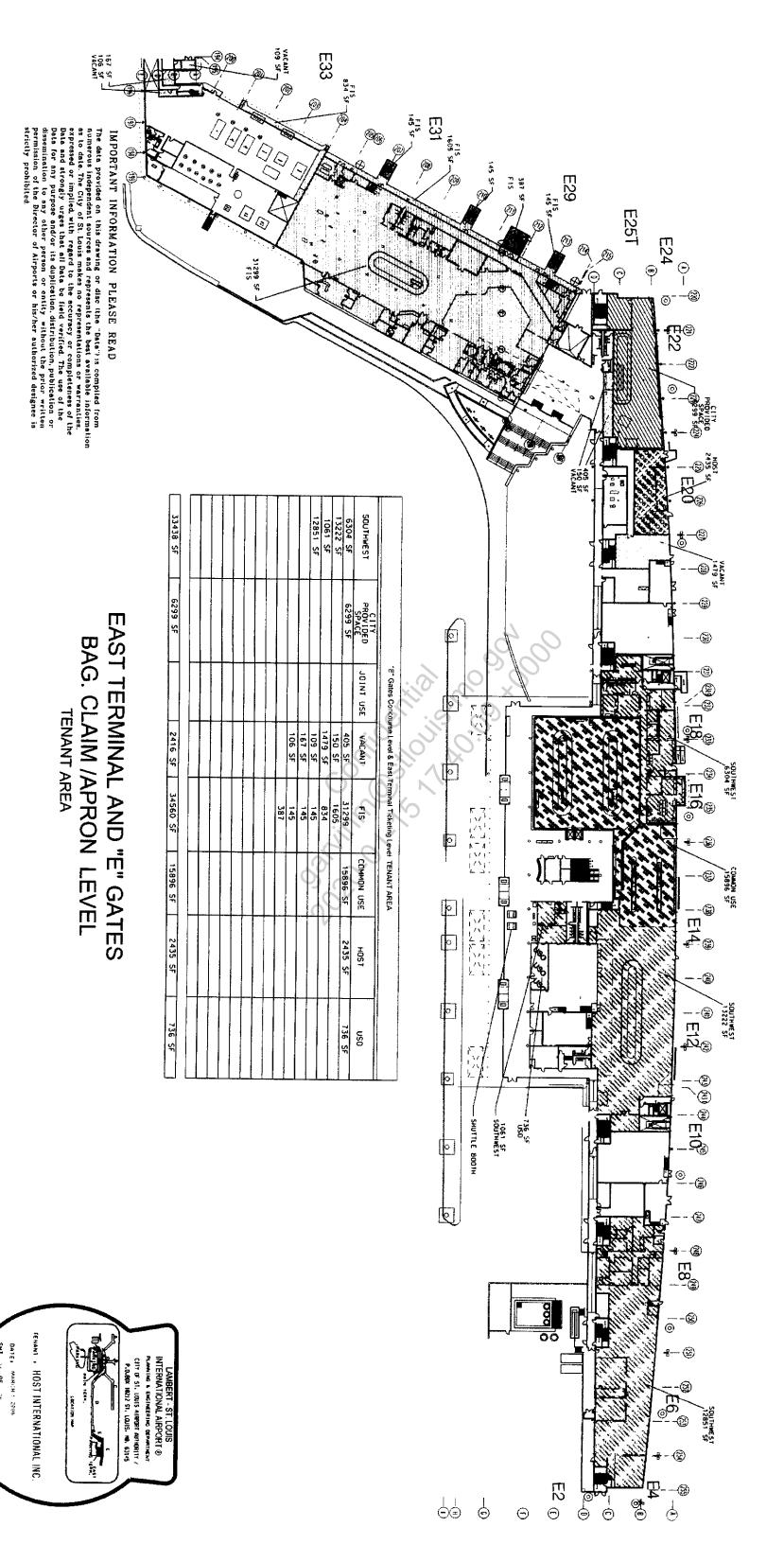
TENANT . HOST INTERNATIONAL INC.

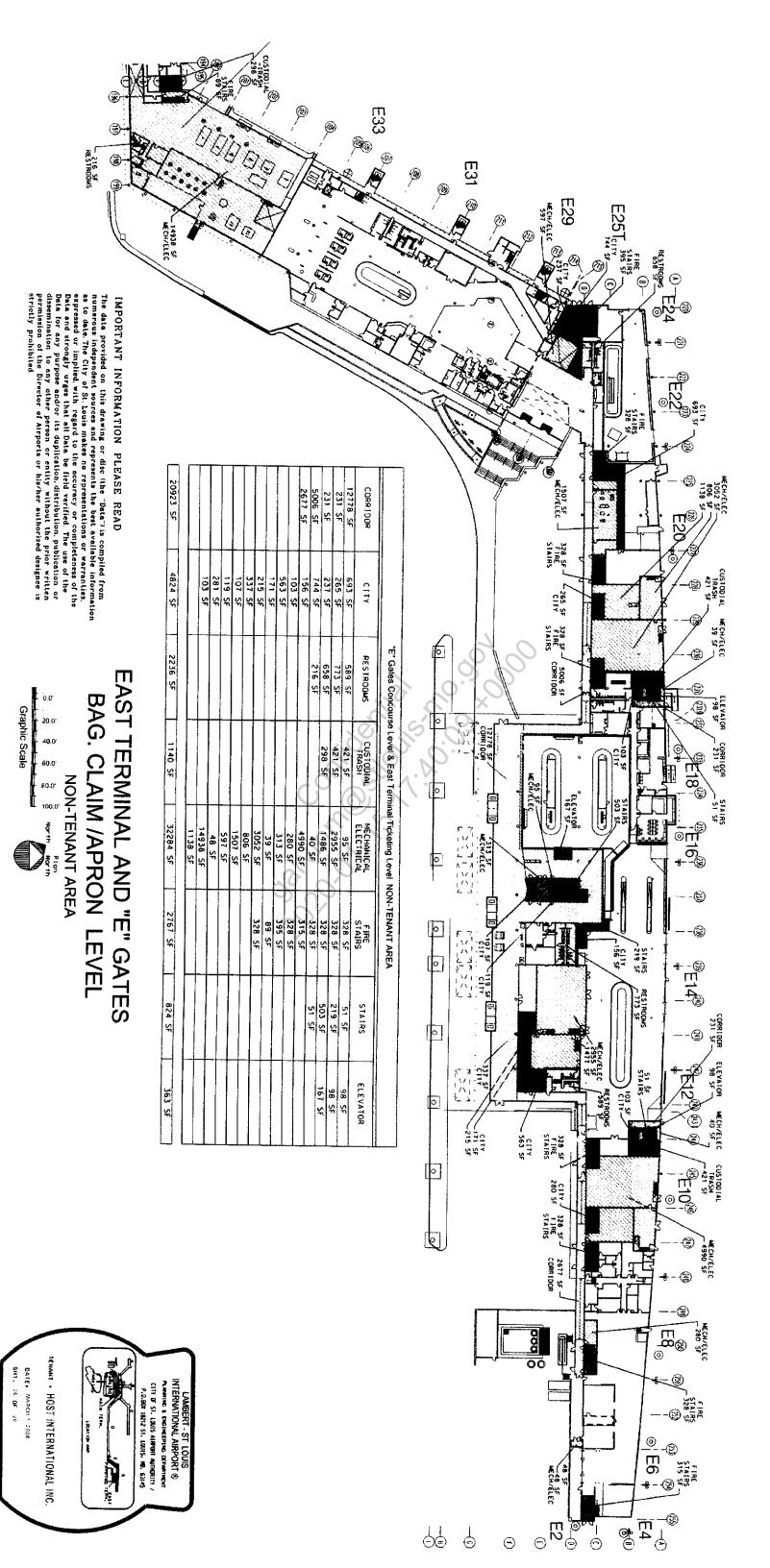
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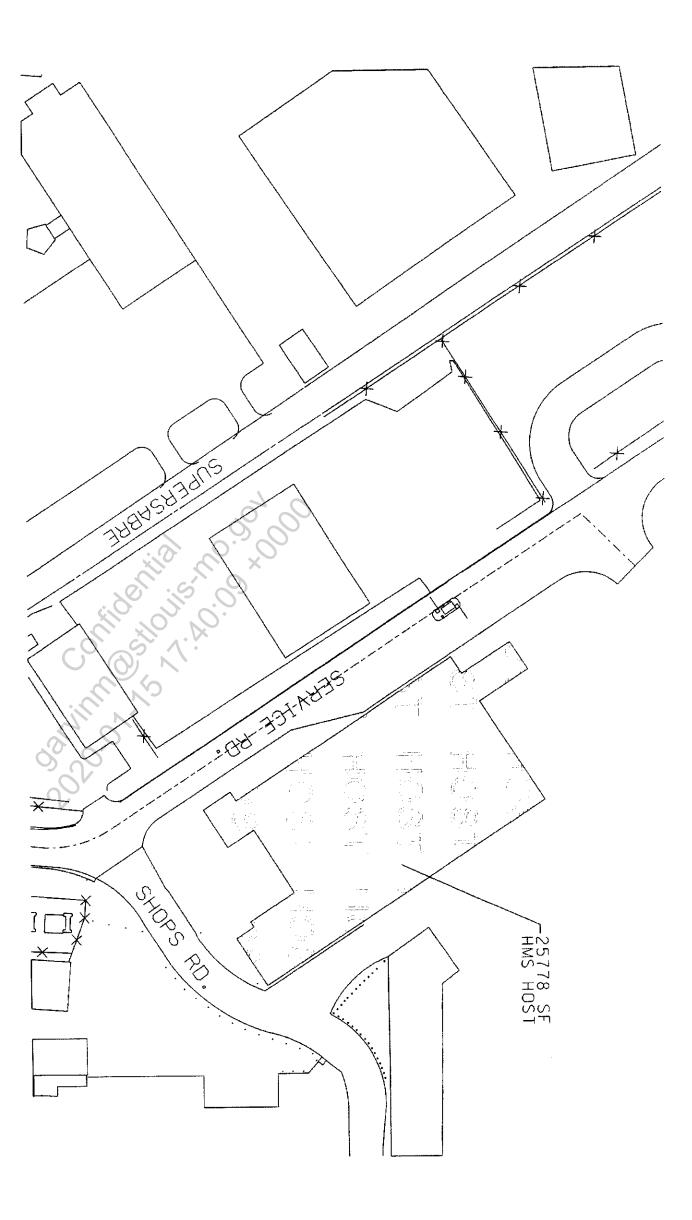
LOCATION MAP

DATE: MACH 1, 2008









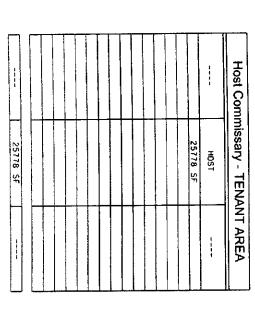
#### 0.0' Graphic Scale 20.0 40.0 60.0 80.0 100.0

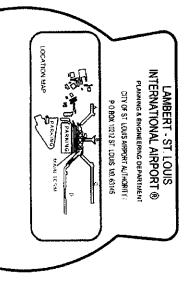
## GROUND LEVEL

# TENANT AREA

# IMPORTANT INFORMATION PLEASE READ

The data provided on this drawing or disc (the "Data") is compiled from numerous independent sources and represents the best available information as to date. The City of St. Louis makes no representations or warranties, expressed or implied, with regard to the accuracy or completeness of the Data and strongly urges that all Data be field verified. The use of the Data for any purpose and/or its duplication, distribution, publication or dissemination to any other person or entity without the prior written permission of the Director of Airports or his/her authorized designee is strictly prohibited.





DATE MARCH 1, 2008 SHT 26 OF 26

HOST INTERNATIONAL INC.

## EXHIBIT "B" LIVING WAGE ANNOUNCEMENT BULLETIN

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#### ST. LOUIS LIVING WAGE ORDINANCE

#### LIVING WAGE ADJUSTMENT BULLETIN

#### NOTICE OF ST. LOUIS LIVING WAGE RATES EFFECTIVE APRIL 1, 2008

In accordance with Ordinance No. 65597, the St. Louis Living Wage Ordinance ("Ordinance") and the Regulations associated therewith, the City Compliance Official for the City of St. Louis has determined that the following living wage rates are now in effect for employees of covered contracts:

- 1) Where health benefits as defined in the Ordinance are provided to the employee, the living wage rate is \$11.00 per hour (130% of the federal poverty level income guideline for a family of three); and
- 2) Where health benefits as defined in the Ordinance are <u>not</u> provided to the employee, the living wage rate is \$14.16 per hour (130% of the federal poverty level income guideline for a family of three, plus fringe benefit rates as defined in the Ordinance).
- 3) Wages required under Chapter 6.20 of the Revised Code of the City of St. Louis: \$3.16 per hour.

These rates are based upon federal poverty level income guidelines as defined in the Ordinance and these rates are effective as of **April 1, 2008**. These rates will be further adjusted periodically when the federal poverty level income guideline is adjusted by the U.S. Department of Health and Human Services or pursuant to Chapter 6.20 of the Revised Code of the City of St. Louis.

The Ordinance applies to employers who are covered by the Ordinance as defined in the Ordinance, where the contract or grant is entered into or renewed after the effective date of the Ordinance, which is November 3, 2002. A copy of the Ordinance may be viewed online at <a href="http://www.stlouiscity.com/livingwage">http://www.stlouiscity.com/livingwage</a> or obtained from:

City Compliance Official DBE Program Office -4<sup>th</sup> Floor 11495 Navaid Road St. Louis, MO 63044 (314) 551-5000

Dated: February 14, 2008

## EXHIBIT "C" CONCESSION PLAN

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#### **EXHIBIT "C**

#### **CONCESSION PLAN**

LOCATION	CONCEPT/SCOPE	SQ. FT. *
Main Terminal (upper)	Brioche Doree Wine Bar Conference Room w/ new 1 Stall Restroom Pre-Function Area for Conf Room Kitchen Area / Support Space Host Space	2,552 2,928 1,400 1,800 <u>5,238</u> 13,918
Main Terminal (upper) Main Terminal (upper)	Remodel of Existing City Restrooms New Freight Elevator City Space	448 

<u>Description of work:</u> Host will demo existing facilities to include Burger King, Rib Café and back of house kitchen area. Kitchen and bar area will be waterproofed prior to installation of new flooring. Host will develop the following: Brioche Doree, Wine Bar, Conference Room, new one stall ladies and men's restroom and back of house kitchen and support area. In addition, Host will provide a minor facelift (new sinks, stalls and paint) to the City's existing restrooms in this area. These restrooms will remain responsibility of the City and are not part of Host's leased premises. Also, Host will replace the Freight Elevator.

Main Terminal (lower) Main Terminal (lower)	Starbucks Renovation Pasta House	1,191 _2,03 <u>8</u> **
Main Terminai (lower)	i asta ilouse	3,229

<u>Description of work:</u> Host will upgrade the existing Starbucks facility to include the latest brand equipment and image package. The existing Blues & Brews facility will be expanded and converted to a Pasta House restaurant/bar.

1,180
2,643
579
05
ft). n/a
200
2,343
6,945

Description of work: Host will replace the CPK with a Brioche Doree (floor to be waterproofed

<sup>\*</sup> Square Footage amounts listed are estimates and will need to be trued-up based on actual unit size/dimensions.

<sup>\*\*</sup> The capital cost related to this project will not count toward the \$13M minimum capital investment requirement.

#### **EXHIBIT "C**

#### **CONCESSION PLAN**

#### LOCATION

#### CONCEPT/SCOPE

SO. FT. \*

in kitchen area). Budweiser Bar/Restaurant will have an upgrade completed to the front of house seating and bar area. A local sandwich offering will be added to the menu. Host will either buyout the existing book vendor or relocate the existing US Airways office space to a new space TBD. Host will develop a new Starbucks Coffee facility in the existing book store location or the vacated office space. Host will relocate the existing Continental Airlines offices to the currently vacant offices adjacent to the old offices. For both the US Airways and Continental office space – the new office space will be of the same quality and condition as the existing office space (i.e., it is not the intent that Host upgrade the standard and/or condition of the offices). The existing Starbucks, Jody Maroni's and Continental offices will be demolished and replaced with a local bar/restaurant called Mosaic. This work will include waterproofing the bar and kitchen area.

Concourse B	Upgrade Schlafly's	1,700
Concourse B	Quizno's	<u>367</u> **
	-0, 8, 4.	2,067

<u>Description of work:</u> Host will replace the existing deli with a Quiznos deli and will perform minor refurbishments (e.g., paint, lighting, décor enhancements) in the existing Schlafly's microbrew pub.

Concourse C	Café Seating and To Go modifications to			
	Jose Cuervo Tequileria.	2,371 **		
Concourse C	Budweiser Stadium Club Upgrades	2,109		
Concourse C	Freshens	396 **		
Concourse C	Quizno's	400		
Concourse C	Burger King	<u>1,173</u>		
	<u> </u>	6,449		

<u>Description of work:</u> Host will open up the front wall of the Tequileria, add a café seating area and modify the orientation of the To Go window. Host will also perform minor refurbishments to the Budweiser Stadium Club. The existing TCBY will be closed and a Freshens will be developed in the vacant office space between gate 16 and 18. Host will plan to seek an ACDBE operator to demolish the exiting TCBY and Raving Wraps facilities to develop and operate a Burger King. Host will also seek to have the existing ACDBE operator that runs the Pretzel Time expand the location and convert it to a Quizno's Sub.

<sup>\*</sup> Square Footage amounts listed are estimates and will need to be trued-up based on actual unit size/dimensions.

<sup>\*\*</sup> The capital cost related to this project will not count toward the \$13M minimum capital investment requirement.

#### **EXHIBIT "C**

#### **CONCESSION PLAN**

LOCATION	CONCEPT/SCOPE	SQ. FT. *	
East Terminal	Chili's Renovations	3,279	
East Terminal	Starbucks Renovations (post)	759	
East Terminal	Starbucks Renovations (pre)	842	
East Terminal	Food Court Seating Area Renovations	800	
East Terminal	Freshens	500 **	
East Terminal	Close off Units Near Charter Flight Gates	<u>n/a</u>	
		6,179	

<u>Description of work:</u> Host will upgrade the Chili's restaurant as well as both Starbucks locations – renovations to include the latest brand equipment and image packages. Food court seating area renovations to include: new paint, selected new signage, new ceiling tiles and new furniture. TCBY is to be converted to Freshens. Installation of a wall to professionally close off the old bar facility located across from gate E31. The wall is to include graphics informing passengers of the Chili's and food court locations.

Commissary Upgrade Commissary 2,000

Description of work: Host will upgrade the Commissary to first class working condition.

~ C/D	CO 1 Clarate Continue to Stanger	1,200
Concourse C/D	Convert Cheers Seating to Storage	,
Concourse C/D	Cheer's Renovations	1,516
Concourse C/D	Upgrade Seating Area (food court)	2,093
Concourse C/D	New Burger King (food court)	1,000
Concourse C/D	National QSR (possible Baja Fresh)	1,000
Concourse C/D	Local QSR (possible Imo's Pizza)	1,000
Concourse C/D	Local QSR (possible Fitz)	1,000
**************************************	**	8,809

<u>Description of work:</u> Host will convert a portion of the Cheers seating area to storage (needed to adequately stock the Concourse C / D facilities). Host will also complete a minor refurbishment to the Cheers facility (new carpet, seating, paint). Renovation of the food court seating area is to include new tables and chairs, new flooring, new trash cans and new condiment stand(s). Food court concepts will be replaced with a new Burger King, a new nationally branded QSR concept, and two new local QSR concepts (currently contemplated to be a Fitz's Root Beer stand and an Imo's Pizza).

<sup>\*</sup> Square Footage amounts listed are estimates and will need to be trued-up based on actual unit size/dimensions.

<sup>\*\*</sup> The capital cost related to this project will not count toward the \$13M minimum capital investment requirement.

#### EXHIBIT "D"

### OPERATIONAL FACILITIES INSPECTION REQUIREMENTS

Solding State of Stat

## EXHIBIT "D" OPERATIONAL FACILITIES INSPECTION REQUIREMENTS

Failure to meet the following operational requirements, will subject Concessionaire to the provisions of Article XIII, Section 1301, Liquidated Damages.

#### I. PREMISES

#### A. SIGNAGE

- 1. All necessary licenses, permits, notices and inspection certificates shall be on the premises and/or posted as required.
- 2. Promotional/informational signs, menu/menu boards and displays shall clearly identify menu items available in the unit and shall be clean and current.
- 3. All signage shall be professionally designed and produced—no homemade signs are permitted.
- 4. Illuminated signage shall be fully illuminated at all times.

#### B. CLEANLINESS/MAINTENANCE

- 1. Entrances shall be clean and free from obstruction and debris.
- 2. Doors, windows, walls and fixtures shall be clean, free of smudges, dirt, grime and/or chipped or peeling paint.
- 3. Appearance of floor surfaces shall be clean and swept at all times.
- 4. Walls, ceilings, glass surfaces, awnings, blade signs, ceilings and facades shall be clean and free of dirt and dust at all times.
- 5. Refuse containers and refuse areas shall be available in the unit, adequate to handle volume of unit, wiped clean and not overflowing.
- 6. Ceiling lights and vents shall be kept dust free and operational.
- 7. All cardboard shall be disposed of properly in the cardboard dumpsters provided on the ramp level.
- 8. Grease traps shall be cleaned on a regular schedule and/or as needed.
- 9. Grease shall be transported to and from a unit via a sealed container in which the grease is pumped into and out of the container in a safe and clean manner so as to lessen the occurrence of a "spill" and/or tracking grease on Airport surfaces.
- 10. Equipment in the unit shall be clean, operational and maintained to ensure proper and safe food handling and storage.
- 11. Hand washing sinks, soap/sanitizer dispensers and hand drying devices shall be available and operational.
- 12. Cooking ventilation hoods, filters and related ductwork shall be cleaned and maintained on a regular basis to prevent health or safety issues.
- 13. Pest control shall be practiced on a regular schedule within the assigned Premises so as to prevent any health or safety issue.
- 14. Counter, condiment and register areas shall be clean, orderly and free of

excessive signage.

15. All lights and light fixtures shall be clean and operational.

#### C. CONVENIENCE/ACCESSIBILITY

- 1. Hours of operation shall be adhered to in accordance with the most recent version of Exhibit "E".
- 2. Store managers shall be present and/or accessible during operating hours.
- 3. Shippers shall be emptied and removed from the unit in a timely fashion and/or properly stored out of sight of customers.
- 4. No shippers shall be left unattended, unless porter is actively loading or unloading.
- 5. An adequate number of porters shall be available to clean floor and bus tables so that the restaurant is inviting and appealing at all times.
- 6. Operating hours shall be adjusted to accommodate any flight delay.

#### II. PRODUCT

## A. PRODUCT QUALITY/PRESENTATION

- 1. All menu items shall be available for customers.
- 2. Menu items shall be presented attractively in a timely fashion manner creating a satisfactory dining experience for the customer.
- 3. The unit shall maintain an "A" health rating at all times.
- 4. All menu items shall be prepared according to brand specification.

#### B. PRICES

- 1. Prices of all items shall be available prior to customer selection.
- 2. Prices shall adhere to the Agreement for street pricing.

#### III. PERSONNEL

#### A. CUSTOMER SERVICE

- 1. Wait staff and cashiers shall demonstrate customer service and product knowledge by presenting a pleasant greeting and smile upon customer's arrival, having excellent product knowledge and providing prompt service.
- 2. Wait staff and cashiers shall cease any personal conversations and promptly assist the customer from order placement through delivery of order, and shall practice "customer comes first."
- 3. Staffing levels shall be adequate to provide excellent customer service at all times.
- 4. Staff shall be knowledgeable about and adhere to customer service policies for redemption of gift certificate and/or airline vouchers.

- B. PROFESSIONALISM: Personnel shall act in a courteous and helpful manner at all times with customers and fellow employees. Employees are expected to behave in businesslike and professional manner at al times while in uniform and on Airport property.
  - 1. Employees shall provide a friendly and professional greeting to customers whenever and wherever contact is made.
  - 2. Employees shall display a positive attitude toward passengers and fellow employees.
  - 3. English shall be spoken by staff, except when necessary to accommodate customer.
  - 4. The use of foul or inappropriate language in public areas at any time is prohibited.
  - 5. Employees shall smile and use a pleasant tone of voice when conversing with the customers.
  - 6. Employees shall be actively working while on duty and refrain from gathering and "chatting" in groups while on duty, unless necessary.
  - 7. Employees shall refrain from the use of cell phones while on duty.
  - 8. Employees shall not nap or sleep in public areas while in uniform.
  - 9. Employees shall be attentive to customers.

#### C. APPEARANCE/CLEANLINESS

- 1. Personnel shall be dressed in a proper, clean uniform with a name tag, security ID and any other Airport required promotional pins displayed at all times while on duty.
- 2. Employees shall present a well-groomed, neat, clean and conservative professional appearance.
- 3. All uniforms and related items shall be worn properly and within company standards.

#### D. POINT OF SALE OPERATIONS

- 1. Cashiers and sales staff shall record each individual sale on the register.
- 2. Sale totals shall be visible to the customer.
- 3. Itemized register receipts shall be offered with every transaction.
- 4. Sale shall be rung up efficiently and effectively.
- 5. Cashier and sales staff shall be proficient with the operation of cash register and credit card machines.
- 6. An appropriate number of registers shall be open to meet sales volume.
- 7. All locations shall provide cash and credit card transactions.

#### IV. OPERATIONAL

A. Managers shall take ownership of their units and adopt the policy that if it is unacceptable at home, it is unacceptable at Lambert.

- B. All employees shall adopt the Airport's  $\underline{\mathbf{V}}$ ery  $\underline{\mathbf{I}}$ mportant  $\underline{\mathbf{P}}$ assenger $\underline{\mathbf{s}}$  theme as their own.
- C. Busing tables is a priority; customers should not have to clean their own table.
- D. All maintenance issues shall be corrected within 10 days of notification or as soon as possible.

Cleanliness issues shall be corrected immediately

#### Facilities Inspection Scoring/Acceptability Rating 3/12/08

The Airport Authority expects all cleanliness issues to be corrected immediately, designated by (C) on the facilities inspection report. All maintenance issues shall be repaired within ten (10) days of inspection date, designated by (M) on the report. If a maintenance repair requires replacement of equipment or ordering of a part that may delay the repair date, it is HMSHost's responsibility to provide the approximate repair date or the 10-day repair date shall apply.

The following deficiencies shall warrant any one unit as unacceptable:

- 1. Three (3) or more cleanliness issues on a given inspection date; or
- 2. One (1) or more uncorrected cleanliness issues from a previous inspection; or
- 3. One (1) or more uncorrected maintenance issue from a previous inspection; or
- 4. An unauthorized closed unit.

The Acceptability Rating is equal to the ratio of the number of units inspected earning an acceptable grade versus the total number of units inspected on a given inspection date.

Any pattern of unacceptable behavior observed in any unit by Airport Properties during facilities inspections shall be called out as a "Note" in the beginning of the report to be used on future inspections of all units. An observance of the unacceptable behavior during a future inspection shall render an automatic unacceptable grade for a unit.

## EXHIBIT "E" HOURS OF OPERATIONS

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Concourse	Tenant	Concept	Location	Mon-Fri Opening	Mon-Fri Closing	Sat Opening	Sat Closing	Sun Opening	Sun Closing
UM	Host	Burger King	МТ6	500	2000	500	1900	500	2000
UM	Host	202801 22008	MT2						
UM	Host	Rib Café	MT6	1100	1930	1100	1700	1100	1930
	Host								
MM	Host	Pretzel Time	B Connector	700		700		700	2100
MM	Host	Starbucks	B Connector	500		500		500	2000
MM	Host	Carvel Ice Cream	B Connector	800		800		800	1930
MM	Host	Pasta House Pronto	B Connector	900	2100	900	2100	900	2100
MM	Host	Gr Amer Bagel		24 Hour					
MM	Host	Food Court	D Connector	500		500		500	
MM	Host	Cheers	D Connector	1000	1830	1000	1730	1000	1830
ML	Host Host	Employee Café		600	1600	600	1330	600	1600
A	Host	CPK	A4	800	2000	800	1800	800	2000
A	Host	"B" Lounge	A5	600		600		900	2000
A	Host	Jody Maroni	A14	500		500	1700	500	2000
A	Host	Starbucks	A14	500		500	1700	500	2000
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В	Host	Schlaflys	B3	1100		1100		1100	
В	Host	Quizno's	B3	600	1800	600	1600	600	1800
B/C	Host	Gourmet Bean	Connector	×					
С	Host	Jose' Cuervo	CK	600	2000	600	1830	600	2000
С	Host	Starbucks	C2	500	2030	500	1930	500	2030
С	Host	Wolfgang Puck	C7	600	2000	600	1830	600	
C	Host	Chili's Too	C15	600		600		600	
C	Host	Pretzeltime	C16	700		700		700	
C	Host	Starbucks	C17	500	2000	500	1800	500	2000
C	Host	-01	C25						
C	Host	Freshens	C16	600		600		600	
С	Host	Bud Stadium Club	C30	900	1900	900	1800	900	1900
E	Host	Chili's Too	E20	630	2100	630	1830	630	2100
E	Host	Starbucks	E16	500	2100	500	1930	500	2100
E	Host	CPK	E16	900	2000	900		900	
E	Host	Burger King	E16	500	2100	500	1900	500	
Е	Host	Freshens	E16	730		730		730	
E	Host	Bud Stadium Club	E10	800		800		900	
E	Host	Great Am Bagel	E8	500		500		500	
E	Host	Starbucks	ET3	500	1900	500	1900	500	1900
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## EXHIBIT "F" ENVIRONMENTAL REQUIREMENTS

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#### **EXHIBIT "F"**

#### ENVIRONMENTAL REQUIREMENTS

Concessionaire warrants and covenants that in conducting any activities or business at the Airport, including any activities directly related or incidental to its food and beverage concession, Concessionaire shall comply with any and all applicable Environmental Laws. Concessionaire further covenants and warrants as follows:

#### (a) Environmental Permits.

Concessionaire shall obtain and maintain any and all Environmental Permits required by applicable Environmental Laws to conduct the activities in which Concessionaire engages at the Airport.

Concessionaire shall comply with any requirement imposed by an Environmental Permit obtained by the City that is applicable to Concessionaire or Concessionaire's activities at the Airport; provided, however that the City shall adequately notify Concessionaire of such Environmental Permit and associated requirements, including all applicable deadlines for compliance.

The City and Concessionaire shall cooperate to ensure compliance with the terms and conditions of any Environmental Permit to insure safety and to minimize cost of compliance.

- In the event of any release or threatened release of Duty to Notify City. (b) Hazardous Materials caused by Concessionaire, its employees, agents, contractors, suppliers, guests, or invitees, and which is required by applicable Environmental Laws or Rules and Regulations to be reported by Concessionaire, whether as a result of negligent conduct or otherwise, at, on, under or about the Airport, or any portion thereof, or in the event any written claim, demand, complaint or action is made or taken against Concessionaire that pertains to Concessionaire's failure or alleged failure to comply with any Environmental Laws or Environmental Permits at the Airport, Concessionaire shall notify the City as soon as reasonably practical of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice, and shall provide the City with copies of any and all such claims, demands, complaints, notices, or actions so made. If Concessionaire is required, by any Environmental Laws, Environmental Permits, or governmental agency, to file any written notice or report of a release or threatened release of Hazardous Materials at, on, under or about the Airport, or any part thereof, Concessionaire shall simultaneously provide a copy of such notice or report to the City.
- (c) Environmental Remediation. Concessionaire shall undertake all necessary steps required under applicable Environmental Laws and Environmental Permits to remedy and remove at its cost any Hazardous Material, or environmental condition or damage to the extent caused by, or resulting solely from, the activities, conduct of Concessionaire or its agents, employees, contractors, or suppliers at the Airport, whether resulting from negligent conduct or otherwise ("Remediation Work"). Such Remediation Work shall be performed at

Concessionaire's expense. Except in the event of an emergency, such Remediation Work shall be performed after Concessionaire submits to the City a written plan for completing such Remediation Work and receives the prior approval of the City through Notice; provided, however, that the City's approval shall not be unreasonably withheld or delayed. The City expressly reserves the right to review and approve any proposed: remedial investigations, remedial work plans, interim and final remedies, institutional controls or other associated documents prior to submittal to the relevant governmental agencies responsible for enforcing Environmental Laws or Environmental Permits. Specific cleanup levels for any Remediation Work by Concessionaire shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits, as determined by the governmental agency responsible for enforcing Environmental Laws or Environmental Permits. Neither an ongoing remediation, including any testing or monitoring, nor the use of institutional controls, shall either unreasonably or materially impair or interfere with the City's use and enjoyment of its property or the Airport, or that of current and future tenants. The City shall have the right to conduct a reasonable review and inspect all such Remediation Work at any time using consultants and representatives of its choice.

- Access for Environmental Inspection. Upon reasonable notification to (d) Concessionaire, the City shall have reasonable access to the Leased Premises to inspect the same in order to confirm that Concessionaire is using the Leased Premises in accordance with all applicable Environmental Laws and Environmental Permits. Concessionaire shall cooperate fully with any such inspections provided that such inspections shall not unreasonably interfere with Concessionaire's operations. If the City's inspection results in any type of written report, the City shall provide Concessionaire a reasonable opportunity to timely review and comment on a draft of the report. Concessionaire shall provide to City for its review and comment copies of; any and all notices of alleged non-compliance issued by governmental agencies responsible for enforcing Environmental Laws or Environmental Permits; draft official submittals (proposed final drafts) prepared by, or on behalf of, Concessionaire responding to such alleged non-compliance; and any and all consent orders or administrative determinations, whether preliminary or final, issued by such governmental agencies. The City agrees to maintain the confidentiality of the documents produced in accordance with this Subsection to the extent consistent with the City's legal obligations.
- (e) Corrective Action by City. If Concessionaire fails to comply with any applicable Environmental Laws or Environmental Permits governing its activities at the Airport, or if Concessionaire fails to conduct necessary Remediation Work in a timely manner as required under this Section, the City, as required by applicable Environmental Laws and Environmental Permits, in addition to the rights and remedies described elsewhere herein and any other rights and remedies otherwise available to the City, may enter the Leased Premises and take all reasonable and necessary actions to conduct Remediation Work to remove Hazardous Materials or other contaminants and insure such compliance with such Environmental Laws and Environmental Permits. All Remediation Costs incurred by the City shall be paid or reimbursed by Concessionaire. Remediation Work, if necessary, shall be performed in accordance with the provisions of Subsection 1002(C), but only after first having provided Notice to Concessionaire of such failure to comply, and 30 days within which Concessionaire may demonstrate why no such alleged failure is present, or to timely

remedy such alleged failure that may be present. If Concessionaire's compliance reasonably requires more than 30 days to complete, the City may enter the Leased Premises and take such reasonable and necessary measures to achieve compliance only upon Concessionaire's failing to timely begin curing such noncompliance within such 30 day period and to continue diligently working to achieve compliance thereafter.

- (f) Review of Environmental Documents. At the reasonable request of the City, Concessionaire shall make available for inspection and copying, at reasonable times, any and all non-privileged documents and materials Concessionaire has prepared pursuant to any applicable Environmental Laws or Environmental Permits, or submitted to any governmental agency, which documents and materials relate to environmental issues, Environmental Laws or Environmental Permits and which pertain to the Airport or the Leased Premises, and which would be discoverable in litigation.
- (g) Cumulative Remedies. All remedies of the City as provided herein with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Laws or Environmental Permits are deemed to be cumulative in nature. The City's right to indemnification as provided under this Section shall survive the expiration or early termination of this Agreement.