

COLUMBIA

METROPOLITAN AIRPORT

Request for Proposals AIRSIDE CONCESSION UNIT FOOD & BEVERAGE

ISSUE DATE:	July 8, 2024
ISSUED BY:	Richland – Lexington Airport District 3250 Airport Blvd, Suite 10 West Columbia, SC 29170 www.flycae.com
POINT OF CONTACT:	Lindsay Copelan, Properties Manager Email: l.copelan@flycae.com
NON-MANDATORY PRE-BID MEETING:	July 22, 2024, at 2:00 p.m. EDT. Carolina Room - located in the lower level of the terminal 3250 Airport Blvd West Columbia, SC 29170
QUESTION DEADLINE:	July 29, 2024; no later than 2:00 p.m. EDT. Lindsay Copelan, Properties Manager l.copelan@flycae.com
PROPOSAL DEADLINE:	September 16, 2024; no later than 2:00 p.m. EDT. Richland – Lexington Airport District Attn: Lindsay Copelan, Properties Manager 3250 Airport Blvd, Suite 10 West Columbia, SC 29170

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I. PURPOSE OF REQUEST

The Richland-Lexington Airport District (“District”) is seeking a contractor to provide **Airside Concession Unit – Food & Beverage** at the Columbia Metropolitan Airport (“Airport”). The Airport desires to establish a top-tier small airport hub concessions program that is focused on increasing customer satisfaction and airport revenue. It is intended for the Airside Concession unit to accommodate increased traffic volumes and longer-dwell passengers. The solicitation process is not designed to produce brands or concepts that are in direct competition with the current food and beverage program.

The District intends to award a contract to a firm that will meet the District’s qualification criteria and has successfully performed services on similar projects in the past. The successful firm will be required to enter into a contract with the District for the services requested in this RFP within a reasonable time after award. A firm submitting a proposal must be prepared to use the District’s contract and lease form rather than its own contract form. A template Food and Beverage Lease and Concession Agreement is attached as **Exhibit 1** to this RFP. The District intends to award a contract substantially in the form of **Exhibit 1** to the selected contractor.

II. INSTRUCTIONS TO PROPOSERS

- A. Proposers shall submit three (3) hard copies of their proposal along with one USB port containing an electronic copy of the proposal that is identical to the hard copies. Proposals, including the USB port, must be enclosed in a sealed envelope, box, or package, and clearly marked on the outside with the following: DO NOT OPEN – PROPOSAL ENCLOSED, “Airside Concession Unit- Food & Beverage” and also contain the Proposer’s name, address, phone, and primary contact name and email address. Proposals must be delivered to the following address:

Richland-Lexington Airport District
3250 Airport Blvd, Suite 10
West Columbia, SC 29170
Attention: Lindsay Copelan, Properties Manager

- B. All proposals must be delivered by **2:00 p.m. EDT, September 16, 2024**. Requests for extensions of time to submit will not be granted. Late proposals will be rejected. Proposals sent via e-mail or fax will not be accepted.
- C. The opening and reading of a proposal does not constitute the District's acceptance of a Proposer as a responsive and responsible Proposer.
- D. It is the sole responsibility of the Proposer to ensure that the proposal arrives on time and bears the handwritten signature of an official duly authorized to sign the proposal. The name, address, telephone number, and email address of the person to contact must be clearly identified.
- E. The Airport will hold a non-mandatory pre-bid meeting at **2:00 p.m. EDT on July 22, 2024**. The primary purpose of this meeting is to allow Proposers to view and assess the airside concession unit space. No oral conversations or oral comments made at the pre-bid meeting are binding on the District. Any questions that arise during the pre-bid meeting should be put in writing and emailed per item (F) below.

- F. Any questions about the RFP should be directed in writing via email only to Lindsay Copelan at l.copelan@flycae.com by **2:00 p.m. EDT, July 29, 2024**.
- G. Other than with written consent from the Point of Contact, all Proposers, including any persons affiliated with or in any way related to a Proposer, are strictly prohibited from contacting any Commissioners or any District personnel on any matter having to do in any aspect with this RFP after July 8, 2024. Any other contact with such persons associated with the District shall be made only through and in coordination with the Point of Contact and must be made in writing. Prohibitive or inappropriate contacts made by the Proposer may result in the disqualification of the Proposer.
- H. The District may elect to issue addenda to this RFP. All addenda will be posted on the District website at the following URL:

<https://flycae.com/procurement-bids/>

It is the responsibility of the Proposers to view, obtain, or download all addenda issued by the District for this RFP. The Proposers shall acknowledge all issued addenda on the Acknowledgement of Addendum Form (see Exhibit F). Submission of a proposal establishes a conclusive presumption that the Proposer is thoroughly familiar with the RFP and that the Proposer understands and agrees to abide by all of the stipulations and requirements contained therein.

- I. All notations must be typed or printed in ink. No erasures are permitted. Mistakes may be crossed out and corrections must be initialed in ink by the person(s) signing the proposal.
- J. All costs incurred in the preparation and presentation of the proposal are the Proposer's sole responsibility; no costs will be reimbursed to any Proposer.
- K. All documentation submitted with the proposal will become the property of the District.
- L. Proposals are to be submitted as outlined below:
 - 1. Proposal
 - 2. References
 - 3. Financial Pro Forma (Exhibit A)
 - 4. Capital Investment Plan (Exhibit B)
 - 5. Concession Fee (Exhibit C)
 - 6. Proof of Insurance Coverage (Exhibit D)
 - 7. Certification (Exhibit E)
 - 8. Acknowledgement of Addenda (Exhibit F)
- M. The District reserves the right to cancel any or all solicitations, in whole or in part, as well as reject any or all proposals, or to accept or reject any proposal in part, and to waive any minor informality or irregularity in proposals received if it is determined by the Executive Director or his designee that the best interest of the District will be served by so doing. If the solicitation is cancelled or all proposals are rejected by the District, a notice will be posted on the District website as identified for the posting of addenda. A proposal will

not be considered from any Proposer that is in arrears or in default to the District on any contract, debt, or other obligation.

- N. Proposals are subject to public disclosure after award in accordance with state law. All information contained in any submitted bid, request for proposal, or request for qualifications document to the District will be available for public review upon Freedom of Information Act (FOIA) request. All Proposers are hereby advised that any information that they may consider to be confidential or proprietary and would give a competitive advantage if disclosed, should be identified as “Confidential” or “Proprietary.” If any portion of a proposal is labeled as “Confidential” or “Proprietary,” the Proposer must also submit a redacted form of the proposal in both hard and electronic copy at the same time it submits its proposal. The redacted copy will be made available for public review upon a FOIA request. Proposers are cautioned to use care when labeling portions of the proposal as “Confidential” or “Proprietary” as blanket invocations of confidentiality are often unwarranted and may require additional scrutiny from the District.
- O. In the event a contract is entered into pursuant to this RFP, the Proposers shall not discriminate against any qualified employee or qualified applicant for employment because of race, sex, color, creed, national origin, or ancestry. The Proposer must include in all subcontracts a provision similar to the above.
- P. Any ambiguity in any proposal as a result of omission, error, lack of clarity or non-clarity by the Proposers with this RFP, instructions, and all conditions of the submission shall be interpreted in the light most favorable to the District.
- Q. The District has set the following schedule:

<u>Action Item</u>	<u>Date</u>
Request for Proposal Issued	July 8, 2024
Non-Mandatory Pre-Bid Meeting	July 22, 2024, at 2:00 p.m. EDT
Deadline for Proposal Question Submission	July 29, 2024, by 2:00 p.m. EDT
Questions and Answers Posted to Airport Website	August 5, 2024
Deadline for Proposal Submission	September 16, 2024, by 2:00 p.m. EDT
Hold for Interviews/Presentations	Week of October 14, 2024

III. TERMS AND CONDITIONS

- A. The District is seeking proposals from Proposers to provide Food and Beverage within the airside concessions unit for a term of:

Option A: Ten (10) Years with no options to extend the Agreement.

And / Or

Option B: Five (5) Years with one (1) mutually agreed upon two (2) year option to extend the Agreement.

Proposals with one and/or both term options may be submitted by Proposers.

- B. The District reserves the right to reject any or all proposals, or to award the contract to the next most qualified Proposer if the selected Proposer does not execute a contract within sixty (60) days after the award of the proposal.
- C. The District reserves the right to request any supplementary information it deems necessary to evaluate the Proposer’s experience, qualifications, or to clarify or substantiate any information contained in the Proposer’s submittal.
- D. Any proposal submitted will constitute an irrevocable offer, for a period of ninety (90) days, to sell to the District the services requested in this RFP.
- E. Insurance Requirements: The selected Proposer shall carry and keep in force a comprehensive general liability and employer liability insurance by an insurance company authorized to do business in the State of South Carolina with limits of liability as follows:

Employer Liability	\$1,000,000
Comprehensive General Liability Bodily Injury	\$1,000,000 each occurrence, and \$2,000,000 aggregate
Property Damage	\$1,000,000 each occurrence, and \$2,000,000 aggregate

The selected Proposer shall furnish certificates of professional liability insurance satisfactory to the District as to contents and carriers. Upon execution of a contract, the selected Proposer shall furnish to the District a good and sufficient Certificate of Insurance by said insurance company, and an Owner’s Protective Liability Policy naming the Richland-Lexington Airport District, the Richland-Lexington Airport Commission, and the Richland-Lexington Airport District Employees as named insured. Both policies shall contain the stipulation and agreement that the insurance provided by said policies is continually in full force and effect and is not subject to cancellation or modification in full or in part without thirty (30) days advance written notice to the District.

- F. Workers’ Compensation and Employer’s Liability Insurance: The selected Proposer shall maintain workers’ compensation and employer’s liability insurance in the amounts and form required by the laws of the State of South Carolina. The selected Proposer shall furnish a certification of said insurance to the District certifying that the District will be given thirty (30) days written notice of non-renewal, cancellation, or other material change.

- G. Template Food and Beverage Lease and Concession Agreement: The selected Proposer must be prepared to enter into a contract with the District substantially along the lines of the attached **Exhibit 1**.

IV. SELECTION PROCESS, PROTEST PROCESS, AND PROPOSAL REQUIREMENTS

To increase non-aeronautical revenue and deliver excellent customer service, the District plans to award a contract agreement for an airside food and beverage unit at the Airport. The below list of maximum assessment points will be used to determine which of the best qualified proposals submitted will be selected.

A. Selection Process

1. All proposals must be received by the District no later than the date and time specified on the cover sheet of this RFP. Late proposals will not be accepted and will be returned unopened to the Proposer.
2. Following the date and time when proposals are due, the envelope or package containing the proposals from each Proposer will be opened by District personnel. The opening of the proposals is not open to prospective proposers or the public.
3. The District will form an evaluation committee to review and score the proposals based on the following criteria:

Evaluation Criteria	Maximum Points (Total of 130)
Cover Letter with Required Items	5
Executive Summary	5
Concept, Menu, Pricing, and Level of Service	30
Financial Plan and Concession Fees	25
Design of Lease Space and Finishes	20
Management, Operations, and Staffing Plan	10
Disadvantage Business Opportunity Goals (ACDBE)	10
Advertising and Marketing Plan	5
Financial Background	10
Reference Feedback	10

4. After the evaluation committee reviews and scores the proposals, the District will invite at least two Proposers to interview/make presentations to the evaluation committee. Any invitations to interview/make presentations are in the sole discretion of the evaluation committee. Interviews/presentations will be worth up to 30 additional points. Interviews/presentations will be limited to 30 minutes with 15 minutes for Q&A from the evaluation committee.
5. Following any interviews/presentations, the evaluation committee will finalize its scoring and make a contract recommendation to the District Commission. At the

sole discretion of the District Commission, the District Commission may request a second interview/presentation from Proposers with a mathematical chance of being the highest ranked offeror following the evaluation committee’s scoring procedure. Any second interview/presentation (if held) will be worth 20 additional points.

6. Following contract negotiations with the selected Proposer, the District Commission will vote on approval of the final contract. See **Exhibit 1**.

B. Right to Protest and Protest Process

1. The rights and remedies described in this section to an aggrieved prospective and/or actual Proposer are at the exclusion of all other rights and remedies of such aggrieved Proposer against the District at common law or otherwise for the loss or potential loss of an award of a contract.
2. Any prospective and/or actual Proposer who is aggrieved in connection with the solicitation of a contract shall protest to the President/CEO of the District in the manner stated below in subsection (4) within fifteen days of the issuance of the RFP or other solicitation document or any amendment or addendum thereto, if the amendment or addendum is at issue.
3. Any actual Proposer who is aggrieved in connection with the award of a contract shall protest to the President/CEO of the District in the manner stated below in subsection (4) within fifteen days of the notice of intent to award the contract.
4. Any protest submitted must be in writing and shall set forth the grounds of the protest and the relief requested with sufficient detail to give notice of the issues to be decided. It must be addressed to:

Mike Gula, Columbia Metropolitan Airport
3250 Airport Blvd – Suite 10
West Columbia, SC 29170
m.gula@flycae.com

C. Proposal Requirements

Your proposal must exhibit the flair and creativity that the District is seeking for this prime location. The following elements have been identified as being central to maximizing the opportunity presented by this location. To assist in reviewing your proposal, please incorporate these specific points within your response in the sequence shown below. A set of tabs to identify each part of the proposal should be inserted to facilitate quick reference. Attached hereto at **Exhibit 2** is the District’s Airside Food & Beverage Concept Proposition containing information, schematics, and data for use in preparing your proposal. References to **Exhibit 2** are expected and encouraged.

For the unit, the Proposer may submit more than one concept or brand. The Proposer is required to submit each of the following components as a distinct document, one for each submitted concept or brand, except for components (1), (9), and (10). Should the Proposer

submit more than one concept or brand, each concept/brand will be separately assessed as listed below.

The proposals (and each separate concept or brand proposed by a Proposer, if applicable) will be evaluated using the following factors and corresponding maximum available points (130 total points available):

1. Cover Letter (Maximum 5 points)

Cover letter to identify Proposer and to state other general information that the Proposer desires to include regarding the Proposer's business organization. At a minimum, the cover letter must include the name, principal address, federal tax ID number, telephone number, facsimile number, and e-mail address of the Proposer.

If a corporation, state the full name and title of each of the corporate officers and their experience as an owner, operator, or manager of a food and beverage unit. The state of incorporation is to be included. If the Proposer is not a South Carolina corporation, please include a statement advising whether or not the Proposer is qualified to do business in the State of South Carolina as a foreign corporation. A foreign corporation will be required to qualify to do business in the State of South Carolina prior to the execution of a contract.

If the Proposer is a sole proprietorship, state the name of the individual doing business and state the individual's experience as an owner, operator, or manager of a food and beverage unit.

If a partnership, state the full name, address, and other occupation, if any, of each partner; whether the partner is active or dormant; whether each partner is a general or limited partner; each partner's experience as an owner, operator, or manager of a food and beverage unit; and the proportionate share of the business owned by each partner.

If a joint venture, state the names of the firms participating in the joint venture and the principal officers of each firm; each officer's experience as an owner, operator, or manager of a food and beverage unit; and the proportionate share of the joint venture owned by each joint venture partner.

If a limited liability company, state the full name and title of each of the members and/or managers of the company and their experience as an owner, operator, or manager of a food and beverage unit. The state of formation is to be included. If the Proposer is not a South Carolina company, please include a statement advising whether or not the Proposer is qualified to do business in the State of South Carolina as a foreign company. A foreign company will be required to qualify to do business in the State of South Carolina prior to the execution of a contract.

2. Executive Summary (Maximum 5 points)

The executive summary should provide a clear and concise summary of the Proposer's background, level of expertise, direct relevant experience, and ability to manage the concession. The executive summary should make the Proposer's case as the best candidate for the concession. The Proposer should structure this section in a manner that allows it to serve as a stand-alone summary when separated from the other sections of the proposal.

3. Concept, Menu, Pricing, and Level of Service (Maximum 30 points)

- a. The operating store name, concept, and theme for airside unit.
- b. How the Proposer's brand/concept will provide quality products, value, and customer satisfaction.
- c. What technology enhancements will be utilized to service the customers.
- d. Submit a price schedule for the proposed menu and product offerings.
- e. Provide experience, qualifications, and background with operating the proposed concepts, to include sales per square footage.
- f. Copies of license/franchise agreements, letters of intent, Memorandums of Understanding (MOU) for each proposed concept (if applicable).

4. Financial Plan and Concession Fees (Maximum 25 points)

- a. Pro forma Revenue Statement ("**Exhibit A**") for the unit in its proposal that indicates projected gross sales and operating expenses anticipated for the unit (examples from other airports, street side retail stores, or shopping centers where the Proposer or proposed concept has been previously successful will be given consideration).
- b. The rationale for selecting the proposed brand/concept and include a revenue enhancement plan that demonstrates how the concepts in the proposal will increase sales revenue per enplaned passenger.
- c. Capital Investment Plan ("**Exhibit B**")
 - (i) Itemize the capital investment plan.
 - (ii) Capital Capacity
 - (iii) Source(s) of Funding
- d. Concession Fee ("**Exhibit C**") The proposer's concession is to be defined as percentage fee based on gross revenues of all sales and a Minimum Annual Guarantee Amount (MAG) payment, for each year, of the

proposed term, including the option terms, with the minimal, for any given year, to be not less than the minimum for the previous fiscal/calendar year.

5. Design of Lease Space and Finishes (Maximum 20 points)
 - a. The design of the unit should illustrate preliminary plans for the lease space and provide enough detail to evaluate the general design and quality of the capital improvements proposed. Submissions in the category may include, but are not limited to conceptual drawings, elevations, floor plans, renderings, and signage.
 - b. The proposer should provide a general floor plan for each lease space, indication location for: cashier counter, bar area, queuing areas, seating areas, back-of the house areas, signage, and other types of operations spaces.
 - c. Significant or prominent materials will be listed, such as new flooring, countertops, furniture, fixtures, or other materials illustrating the Proposer's concept or theme.
 - d. A construction timeline to include permitting and constructing the unit.
6. Management, Operations, and Staffing Plan (Maximum 10 points)
 - a. Submit an overview of the operations of the assigned lease space and introduce the proposed management team by providing the following: Proposer's management organizational chart, both graphically and in narrative format, provide a concise description of Proposer's views on how it will organizationally provide concession services, as well as depict the relationship of key personnel roles to that of the manger-on-duty and other key members of the management team.
 - b. Customer service and operations, including but not limited to a staffing plan, management support, employee recruitment plan, employee training programs, employee retention and incentive programs, customer service programs and policies, and operating produces including cleanliness standards.
 - c. Provide procedures for handling customer service and addressing customer complaints.
 - d. Submit a concise narrative on plans to manage, staff, and operate the concession overall, including what adjustments will be made, if any, to accommodate peak, non- peak, and Airline diversion times.

7. Disadvantage Business Opportunity Goals (ACDBE) (Maximum 10 points)

The ACDBE participation goal established for Food and Beverage contract consideration is 15% minimum.

- a. Proposer has an opportunity to discuss its past and present demonstration to commitment to small and minority businesses and contributions toward a diverse marketplace.
- b. Proposer should highlight the company efforts to encourage ACDBE utilization including such items as mentoring or outreach programs and/or similar programs in which the Proposer engages DBEs and small business participation.
- c. Provide ACDBE certifications (if applicable).

8. Advertising and Marketing Plan (Maximum 5 points)

Describe the proposed advertising and marketing plan, including the intended strategy to promote the Airport. This should include any creative, innovative marketing and advertising strategies and/or way to integrate technological solutions. The proposer may also propose coupons, discounts, and loyalty programs for frequent passengers/employees.

9. Financial Background Information (Maximum 10 points)

The Proposer shall include the following financial information: (i) audited balance sheet and income statement for the last three (3) fiscal years and (ii) unaudited balance sheet and income statement for each fiscal quarter thereafter prepared in accordance with generally accepted accounting principles, reflecting the current financial condition of the Proposer.

10. References (Maximum 10 points based on reference feedback)

The Proposer shall include 3 references as directed on the REFERENCE form included below.

REFERENCES

Please provide at least three (3) current references within the Food and Beverage industry.

1. Business Name: _____
Contact Name: _____ Title: _____
Address: _____
Email: _____ Phone: _____
Length of Relationship: _____

2. Business Name: _____
Contact Name: _____ Title: _____
Address: _____
Email: _____ Phone: _____
Length of Relationship: _____

3. Business Name: _____
Contact Name: _____ Title: _____
Address: _____
Email: _____ Phone: _____
Length of Relationship: _____

V. EXHIBITS

For Incorporation

1. Template
2. Airside Food & Beverage Concept
3. ACDBE Statement

For Completion by Proposer

- A. Financial Pro Forma
- B. Capital Investment Plan
- C. Concession Fee
- D. Proof of Insurance Coverage
- E. Certification
- F. Acknowledgement of Addenda



“Exhibit A”

Financial Pro Forma

Complete one (1) Pro Forma Form for each Concept/Term Submitted

Calendar year:		YR1 2025	YR2 2026	YR 3 2027	YR 4 2028	YR 5 2029	Total 2030-2035
Gross sales	[A]						
Less: Payroll, payroll taxes & employee benefits	[B]						
Less: Cost of goods sold	[C]						
General and admin. expenses	[D]						
Less: Insurance	[E]						
Less: Licenses, permits, fees	[F]						
Less: Other direct expenses	[G]						
Less: Concession Fee (paid to District)	[H]						
Total operating expenses	[I = B+C+D+E+F+G+H]						
Net operating income	[= A – I]						



**“Exhibit B”
Capital Investment Plan**

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

Sources of Funding	Amount
Total Funds Available	\$



“Exhibit C” Concession Fee

Percentage Rent:

Proposed percentage rent of gross receipts by category:

Type of Service	Percentage of Gross Receipts
Food and Beverage/Non-Alcoholic Beverages	
Alcoholic Beverages	
Specialty Coffee	
Airline Caterings	
Gifts & Retail	

Minimum Annual Guarantee (MAG)

The Minimum Annual Guarantee, or MAG is proposed:

First Lease Year: \$ _____

Second Lease Year: Eighty-Five percent (85%)

Third Lease- Lease Termination: 2% fix growth per year

“Exhibit D”

PROOF OF INSURANCE COVERAGE

Proposer shall provide the District with satisfactory evidence of the Proposer’s Professional Liability Insurance from a company satisfactory to the District and licensed to transact business in the State of South Carolina. Proposer shall submit this form with its proposal.

INSURER: _____

COMPANY NAME: _____

COMPANY ADDRESS: _____

CONTACT NAME AND PHONE: _____

The proposer is required to submit a letter or certificate from the Company providing insurance certifying that the Respondents has professional liability insurance in accordance with the terms set forth in this RFP.

Date:

Corporate Proposer: _____

Business Name: _____

Proposer Name: _____

Proposer Title: _____

Corporate Secretary/Assistant: _____

Secretary (Seal)

Non-Corporate Proposer: _____

Business Name: _____

Proposer Name: _____

Proposer Title: _____

Notary Public: _____

My Commission Expires: _____

Notary Public (Seal)

“Exhibit E”

CERTIFICATION

I, undersigned, on behalf of the below Proposer, certify and declare that I have read the response to this RFP and know its contents. The matters stated therein are true of my own knowledge and belief, except as to those matters stated on information and belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of South Carolina that the foregoing is correct.

(Signature)

(Printed name)

(Title)

(Date)

(Proposer)

“Exhibit F”

ACKNOWLEDGMENT OF ADDENDUM

Proposers must initial each applicable Addendum below and complete the designated Corporate or Non-Corporate Proposer section and submit this form with their proposal as acknowledgment of receipt of all issued Addendum.

This is to acknowledge receipt of the following **Addendum(s)** for **Request for Proposals (RFP) / Airside Concession Unit – Food and Beverage**

- 1. ____;
- 2. ____;
- 3. ____; and
- 4. ____.

Dated the ____ day of _____, 20 _____

Corporate Proposer: _____

Business Name: _____

Proposer Name: _____

Proposer Title: _____

Corporate Secretary/Assistant: _____

Secretary (Seal)

Non-Corporate Proposer

Business Name: _____

Proposer Name: _____

Proposer Title: _____

Notary Public: _____

My Commission Expires: _____

Notary Public: _____

EXHIBIT 1

**FOOD AND BEVERAGE
LEASE AND CONCESSION AGREEMENT**

RICHLAND-LEXINGTON AIRPORT DISTRICT

AND

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**LEASE AND CONCESSION AGREEMENT
FOOD AND BEVERAGE SERVICES
RICHLAND-LEXINGTON AIRPORT DISTRICT**

THIS LEASE AND CONCESSION AGREEMENT ("Agreement" or "Lease"), made and entered into this _____ day of _____, 2024, by and between the Richland-Lexington Airport District, a political subdivision organized under the laws of the State of South Carolina (the "District"), and _____, a limited liability company organized and existing under the laws of the State of South Carolina and authorized to do business in the State of South Carolina ("Concessionaire").

RECITALS

- A. The District controls, operates, and maintains Columbia Metropolitan Airport (hereinafter referred to as "Airport");
- B. The Terminal Building ("Terminal Building") on the Airport comprises the concession location post-security.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS

1.1 Commencement Date

Commencement Date is the effective date of this Agreement which shall be

1.2 FAA

FAA shall mean the Federal Aviation Administration.

1.3 Gross Receipts

1.3.1 General Definition

The term "Gross Receipts" shall mean the total amount due to Concessionaire from its customers, whether payment terms are cash, credit, barter, exchange, or otherwise, in connection with Concessionaire's operation of its food and beverage business at the Airport. Gross Receipts shall include all revenues derived from the sale of food, beverages, services, advertising, and promotions on or from the Leased Premises. Concessionaire shall not modify accounting treatment of receipts, rename, or redefine services or products in any manner in an attempt to deprive the District of receipts that should, under the terms of this Agreement, be payable to the District. Gross Receipts includes all charges and fees of whatsoever kind, whether billed or unbilled, unless expressly and particularly excluded from Gross Receipts under this Agreement. Gross Receipts includes all charges for the month in which the services are rendered or products sold, regardless of when or if payment therefore is received by Concessionaire.

Concessionaire shall not adjust Gross Receipts based on discounts, rebates, refunds, losses, credits, or similar items not specifically deducted on the individual customer's receipt of sale. In the event Concessionaire fails for any reason to charge for or collect the value of any product or service provided hereunder, the amount customarily charged by Concessionaire for such product or service provided shall be included in the calculation of "Gross Receipts." Further, no deduction shall be made from Gross Receipts by reason of any credit loss, charge, or deduction that may be incurred by reason of the acceptance or use of credit cards or other credit or charge arrangements.

1.3.2 Sole Exclusions

Excluded from Gross Receipts shall be only:

- a) Receipts from the sale of or the trade-in value of any trade fixtures.
- b) Federal, State, or Local taxes collected by the Concessionaire from its customers and remitted to a government agency.
- c) Receipts in the form of refunds from or the value of merchandise, supplies, or equipment returned to shippers, suppliers, or manufacturers.
- d) Receipts from the sales of uniforms or clothing to Concessionaire's employees where it is required that such uniforms or clothing be worn by said employees.
- e) Security deposits (to the extent not applied to rentals).
- f) Interest on bank accounts.
- g) Proceeds from the financing of Concessionaire's operations, or any part thereof.
- h) Insurance proceeds, dividends, audit return premiums and retrospective rating adjustments received from any insurance policies pertaining to physical loss or damage to Leased Premises or any part thereof.
- i) Condemnation awards or payments received in lieu of condemnation of Premises or any part thereof.
- j) Any trade discounts, refunds and rebates received in connection with the purchase of inventory or personal property.
- k) Gratuities and employee discounts and uncharged food and beverage received by Concessionaire's employees and Airport employees, Airport tenant employees and employees of Airport contractors, if any.
- l) Fees charged for shipping items for the convenience of customers.

1.4 Leased Premises

The premises listed in Section 2.1 and as shown in Exhibit D for use by

Concessionaire in performing the services outline in this Concession Lease.

1.5 Leasehold Improvements

All improvements and equipment that are affixed to the Leased Premises and cannot be removed without damage to the Leased Premises.

1.6 Lease Year

Lease Year shall mean each successive twelve-month period during the term hereof commencing on the Commencement Date.

1.7 Minimum Annual Guarantee (MAG)

The Minimum Annual Guarantee, or MAG, shall be equal to the following for the Term of the Agreement:

First Lease Year (as proposed): \$ _____

Second Lease Year: (i) Eighty-Five percent (85%) of the actual percentage rent paid to the District during the first Lease Year or (ii) the Minimum Annual Guarantee for the first Lease Year, whichever is higher.

Third Lease Year through end of term: (i) Eighty-Five percent (85%) of the actual percentage rent paid to the District for the prior Lease Year, plus two percent (2%) or (ii) the Minimum Annual Guarantee for the prior Lease Year, whichever is higher.

For any payment period of less than one calendar month, one-twelfth of the Minimum Annual Guarantee shall be paid on a pro rata basis.

1.8 Percentage Rent

Percentage rent of gross receipts by service category shall be as follows:

Type of Service	Percentage of Gross Receipts
Food and Beverage/Non-Alcohol	_____ %
Non-Alcoholic Beverages	
Alcoholic Beverages	_____ %
Airline Catering	_____ %

1.9 Personal Property

All movable property not directly related to the food and beverage sales operations conducted under this Lease, office furniture, office equipment, and office supplies.

1.10 Trade Fixtures

Shall mean all non-affixed items, except expendables and Personal Property, that can be removed without damage to the Leased Premises, including cash registers, safes, racks, non-affixed display fixtures, and the like.

2. LEASED PREMISES

2.1 Designation of Space

The District hereby leases to Concessionaire and Concessionaire hereby agrees to lease from the District the following premises located at the Airport Terminal Building, which, collectively, are hereinafter called the "Leased Premises." The Leased Premises as shown in Exhibit D include the following:

2.1.1 Concessions Service Space (Upper Level) – Located post-security – as shown on Exhibit D.

2.2 As Is Condition

Concessionaire has leased the Leased Premises after a full and complete examination of the Leased Premises, and has full knowledge of its present uses and non-uses. Concessionaire accepts the foregoing in the condition or state in which they are now without any representation or warranty, express, or implied in fact or by law, and without recourse to the District as to the nature, condition, or usability or use to which the Leased Premises may be put. The District shall not be obligated to provide any additional improvements or service of any type, character, or nature (including electrical or telephone outlets) on the Leased Premises other than those expressly provided in this Agreement.

Concessionaire agrees it is responsible for its finishes/items in the Leased Premises. Concessionaire assumes the full and sole responsibility for the condition, operation, repair, and maintenance of the Leased Premises; except the District will perform maintenance and repairs to all structural areas including the roof (structure and membrane), foundation, and load bearing walls.

2.3 Exclusive/Non-Exclusive Use

Concessionaire's Leased Premises shall be for Concessionaire's exclusive use. Common areas shall be for the non-exclusive use, in common, of all tenant companies (including Concessionaire).

3. TERM

3.1 Term

This Agreement shall be binding upon execution by the District, and the term and Concessionaire's obligation to pay fees hereunder shall commence on _____(hereinafter called the "Commencement Date"). The term of this Agreement shall thereafter continue for a period of _____ years, expiring on _____

4. RENTAL AND CONCESSION FEES

4.1 Rent

4.1.1 During each Lease Year of the Term, Concessionaire shall pay to the District rental payments for the right to conduct a non-exclusive food and beverage concession at the Airport in an amount equal to the greater of (“Total Annual Rent”):

- (a) MAG; as defined in Subsection 1.7; or
- (b) Percentage Rent as defined in Subsection 1.8.

4.2 Monthly Payments

Concessionaire shall remit two (2) payments each month to the District. The first remittance will be as described in 4.2.1 and the second remittance will be as described in 4.2.2.

4.2.1 Concessionaire shall pay the District, in advance and without demand, on or before the first (1st) day of each calendar month commencing on the Commencement Date as described herein, during the term hereof, One-twelfth (1/12th) of the MAG plus any sales or other taxes due and payable in connection therewith.

4.2.2 Concessionaire shall further pay to the District, without demand, on or before the twentieth (20th) day of the month following the end of each calendar month for which fees are payable during the term hereof, a sum of money equal to the amount, if any, by which the Percentage Rent exceeds one twelfth (1/12th) of the MAG applicable for such month. In the event the Percentage Rent shall not exceed one-twelfth (1/12th) of the MAG in any calendar month during the term hereof, then no Percentage Rent shall be due and payable for such month.

4.2.3 All rents due under this Agreement shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand. No payment by Concessionaire or receipt by the District of a lesser amount than the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to establish an accord and satisfaction, and the District may accept such check or payment without prejudice to the District’s right to recover the balance of said amount due or pursue any other remedy in this Agreement.

4.2.4 Payments shall be delivered to Columbia Metropolitan Airport, 3250 Airport Boulevard, Suite 10, West Columbia, SC 29170 or at such other place as the District may designate in writing from time to time.

4.3 Monthly Statements

Within twenty (20) calendar days after the close of each calendar month of the term of this Agreement, Concessionaire shall submit to the District, in such detail and form as may be specified by the District, a statement of Gross Receipts and any

deductions from Gross Receipts for the preceding period prepared in accordance with generally accepted accounting principles and certified by a responsible financial officer of the Concessionaire. The Gross Receipts reports shall show such reasonable data and breakdown, including an itemized list identifying all percentage Gross Receipts by category/concept and any other type of reporting as may be required by the District. The District reserves the right to change the form of the monthly statement and to require the submission by Concessionaire of other information pertaining to the payments hereunder and Concessionaire agrees to change the form of its statements to that requested by the District and to provide any such additional information the District may request.

4.4 Annual Accounting Statement and Adjustments

Concessionaire shall provide to the District, within ninety (90) days after each Lease Year during the term of this Agreement, a written statement (the "Annual Accounting Statement") certified by an Officer of the Company that the Total Annual Rent paid by Concessionaire to the District during such period was paid in accordance with the terms of this Agreement. Such statement shall contain: (1) a detailed schedule of Gross Receipts by month, detailing each service category of receipts; (2) a detailed schedule of Gross Receipts upon which the monthly Percentage Rent payments to the District are computed; such schedule shall separately identify any exclusions from Gross Receipts provided for herein; (3) the amount of Percentage Rent per service category as defined in Section 1.8 already paid by Concessionaire to the District for such Lease Year; and (4) the amount, if any, by which the Total Annual Rent or any other amounts for such Lease Year has been overpaid or underpaid by Concessionaire. If such statement indicates that the Total Annual Percentage Rent or any other amounts for such Lease Year has been overpaid, then the amount of such overpayment shall be credited by the District to the rent next due and owing from Concessionaire, unless the Term hereof has expired, in which event such amount shall be promptly refunded by the District to Concessionaire. Such credit or refund shall be issued by the District as soon as reasonably practicable, allowing time for review of the Annual Accounting Statement. Concessionaire may not deduct any overpayment from rent owed to the District until credit has been issued. If such statement indicates that the Total Annual Rent or any other amounts for such Lease Year has been underpaid, then Concessionaire shall pay to the District within ten (10) days from delivery of the Annual Accounting Statement the amount remaining due for such Lease Year, together with interest thereon at the rate of 1.5% per month from the date such amount should have been paid. Notwithstanding any credit allowed by the District, all Annual Accounting Statements, payments and adjustments are subject to audit and further adjustment as provided in Section 5.4.

4.5 Delinquent Reports or Rentals; Late Fees

In the event Concessionaire is delinquent in making any monthly payments as required to be paid under the provisions of this Agreement and said delinquency continues for more than 10 days after the date on which the District gives Concessionaire written notice of the delinquency, then interest at 1.5% per month shall accrue against the delinquent payment(s) until the same are paid.

Implementation of this provision shall not preclude the District from terminating this Agreement for default in the payment of rentals, fees, or charges, or from enforcing any other provisions contained herein. If Concessionaire is delinquent in furnishing the District any monthly or annual statements required under this Agreement, Concessionaire shall pay One Hundred Dollars (\$100.00) to the District as liquidated damages for each occurrence. The parties agree that this is a fair and reasonable estimate of the District's costs incurred in processing delinquent reports. The reports shall be deemed received by the District (1) if sent by fax, on the date of the confirmation indicating successful transmission; (2) if sent by email, on the date received by the District; and (3) if sent by regular mail, on the date-stamped by the District upon receipt.

4.6 Obligation to Pay Rent

The termination of this Agreement, by lapse of time or otherwise, shall not relieve Concessionaire of its obligation to pay any rent or other charges that have accrued during the period in which this Agreement is in effect or Concessionaire has had the benefit of the Leased Premises.

5. BOOKS AND RECORDS

5.1 Books and Records

Concessionaire shall keep full and accurate books and records showing all of its Gross Receipts hereunder and customarily used in this type of operation, in accordance with Generally Accepted Accounting Principles (GAAP). The District shall have the right through its representatives and at reasonable times, to review, inspect, examine, copy, and audit such books and records. Books and records shall include without limitation all original accounting source documents detailing transactions relevant to this Agreement including but not limited to original rental agreements, a complete (cumulative) general ledger, monthly sales journals detailing each rental transaction for the month, other sales related documents, local municipalities and State of South Carolina sales tax return records, and detailed backup documentation for all exclusions of Gross Receipts claimed by Concessionaire.

5.2 Financial Accountability

Concessionaire shall maintain an internal control structure designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, that transactions are executed in accordance with management's authority, and that the financial records are reliable for the purposes of preparing financial statements. Concessionaire shall prepare financial statements in conformity with Generally Accepted Accounting Principles (GAAP), applying certain estimates and informed judgments, as required. The internal control structure shall be supported by the selection, training, and development of qualified personnel, by an appropriate segregation of duties, and by the dissemination of written policies and procedures.

5.3 Record Retention

Concessionaire agrees to keep available all books and records of business conducted under this Agreement for the longer of six (6) months after completion of an audit by the District or three (3) years after the end of the Lease Year to which the books and records pertain. If any audit has been initiated and audit findings have not been resolved at the end of the three (3) years, the books and records shall be retained until resolution of the audit findings.

5.4 Review, Inspection, Copying, Examination, or Audit

Concessionaire shall make its original books and financial records available for review, inspection, copying, examination, or audit by the District or its authorized agent or representative, at reasonable times. Concessionaire shall either transport the necessary books and records to a location at the Airport for review, inspection, copying, examination, or audit, or permit the District to perform an audit at the location where Concessionaire's books and records are located.

District will provide a written list of required Concessionaire books and records prior to beginning an audit and will in good faith attempt to ensure that this list is as comprehensive as possible. If Concessionaire fails to transport the books and records, at its sole expense, to a location specified by the Airport within thirty (30) calendar days after request by the District, the District reserves the right to perform the audit at the location where Concessionaire maintains the records, subject to Concessionaire paying expenses as provided for in this Agreement. If Concessionaire's place of business and record keeping is outside of Lexington County, South Carolina, and if Concessionaire elects to have the District perform an audit at that location, Concessionaire shall pay the District for the audit costs incurred. Audit costs include reasonable air and ground transportation, mileage, food, lodging, and other miscellaneous costs associated with the audit. After the audit is completed, the District shall bill Concessionaire for the costs incurred. After an audit has commenced, the District may find that additional Concessionaire books and records are required in order to complete the audit. Concessionaire shall provide these additional books and records within fifteen (15) calendar days of the District's request. Concessionaire shall also respond as soon as reasonably possible, but within no more than fifteen (15) calendar days, to the District's written audit-related questions.

Concessionaire agrees to reasonably accommodate the District's representatives by providing adequate workspace (including electrical outlets and phone access), allowing photocopying of any records and documents, and allowing the interviewing of such employees and subcontractors, as the representatives deem necessary to conduct and support their audit.

The parties recognize the District will incur additional costs if records requested by the District's auditor are not provided in a timely manner and that the amount of those costs is difficult to determine with certainty. Consequently, the parties agree Concessionaire shall pay the District one hundred dollars (\$100) per day for each record/retrieval not provided in a records request and in addition to all other contractual financial requirements. Payment will continue until specific

performance is accomplished. Payment shall not be offset against any other amount due the District as detailed in this Agreement.

5.5 Over/Underpayments

If any District review, inspection, examination, or audit of Concessionaire's books and records discloses a Concessionaire underpayment, Concessionaire shall pay, within thirty (30) days of the billing date, any underpayment disclosed by the audit plus (i) interest at a rate of eighteen percent (18%) per annum on the delinquent amount from the date such amount should have been paid; and (ii) any actual costs and attorney fees that the District incurs to collect the underpayment. The failure of Concessionaire to make payment to the District within this thirty (30) day period shall constitute a material breach of this Agreement and shall give cause to the District for immediate termination hereof. If, as a result of such review, inspection, examination, or audit, it is established that Concessionaire has understated the Gross Receipts received from all operations on the Leased Premises by five percent (5%) or more, the entire expense of said examination shall be borne by Concessionaire. If the District collects the difference through arbitration, Concessionaire shall pay the District's full costs and attorneys' fees incurred to collect the underpayment. Further, Concessionaire is liable for the full costs and attorneys' fees if the District finds it necessary to take legal action either to liquidate any performance security under Section 14 or take other action deemed necessary to collect money owed to the District by Concessionaire. If the audit establishes that Concessionaire has overpaid the District, then such overpayment shall be credited by the District to the rent next due and owing from Concessionaire, unless the Term hereof has expired, in which event such amount shall be promptly refunded by the District to Concessionaire.

5.6 Additional Supporting Data

Concessionaire shall furnish the District with other financial or statistical reports that the District may occasionally request regarding the concession. This Section does not require Concessionaire to submit data that is not kept in the ordinary course of Concessionaire's business nor data that is either confidential business information or trade secrets unless reasonably related to determining compliance with this Agreement and the District provides for protection of such information from public disclosure. The District shall have the right to review, inspect copy, examine, or audit the books and records of all of Concessionaire's operations at the Airport under the terms and conditions as set forth in Section 5.

6. RIGHTS, OBLIGATIONS, AND RESTRICTIONS

6.1 Concessionaire's Rights and Obligations

Concessionaire shall have the following rights and obligations in connection with its use of the Leased Premises:

6.1.1 Concessionaire shall sell food and beverages to passengers, employees, and the general public in accordance with the terms and conditions contained herein. With respect to each concession location hereunder, Concessionaire shall sell the items listed in Exhibit B, which items shall be available at the

specified location at all times. The list of items approved for sale may not be amended without the District's consent pursuant to Section 13.1 hereof. Concessionaire shall at all times comply with the terms of the franchise agreement (the "Franchise Agreement") between Concessionaire and Concessionaire's franchisor (the "Franchisor")

- 6.1.2** Concessionaire shall install and maintain appropriate signs in or upon the Leased Premises, provided that the location, design, installation, and maintenance, including re-lamping of all signs shall be subject to the provisions of Section 12.8 of this Agreement and the prior written approval of the District. Paper signs, either computer-generated or hand-written, shall not be posted in the Leased Premises, or outside the Leased Premises, at any time.
- 6.1.3** After commencement of this Agreement, and upon written approval of the plans and construction schedule by the District, the Concessionaire shall immediately commence construction of the renovation improvements on the Leased Premises for use in its operations in accordance with the minimum investment requirements outlined in Section 8.1 and the other requirements of this Agreement, and in accordance with the Franchise Agreement.
- 6.1.4** Subject to all applicable airport, federal, state, and local laws, rules, regulations, and policies, Concessionaire shall have the right to use the Public Areas for the uses for which those Public Areas are designed. Concessionaire rights under this Section shall include the right of ingress and egress to and from the Leased Premises. The District reserves the right to modify or relocate the Public Areas at any time and in any way it deems appropriate, including, but not limited to, reconfiguration of the Public Areas, expansion or contraction of the Public Areas, or changing access points to and from the Public Areas. However, if the District modifies the Public Areas in a manner that substantially and adversely affects the operations of the Concessionaire at the Leased Premises, then the District and the Concessionaire will negotiate an adjustment to the rent provisions of this Agreement accordingly. Should the parties not agree to such an adjustment the Concessionaire may terminate this Agreement upon six (6) months written notice and shall be otherwise subject to the provisions of Section 19.6.2. herein.
- 6.1.5** The Agreement is subject to any and all covenants, conditions, restrictions, easements, mortgages, deeds of trust, ground leases, rights of way, FAA or any successor federal agency's restrictions, or regulations, and any other matters of record pertaining to the Airport.
- 6.1.6** Concessionaire shall abide by all applicable federal, state, and local laws, rules, regulations, and policies, including Airport Rules and Regulations attached as Exhibit I, and operating guidelines for Concessionaire.
- 6.1.7** Concessionaire shall, at its own cost and expense, procure and keep in force during the term of this Agreement all necessary federal, state, and local licenses, registrations, certificates, permits, and other authorizations as are

required by law in order for Concessionaire to render its services hereunder. Concessionaire shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted, or imposed by all governmental authorities having jurisdiction, on Concessionaire's property, on its operations, on its Gross Receipts, on its income, on this Agreement and on the rights and privileges granted to Concessionaire herein, and on any improvements made by Concessionaire to the Airport. Concessionaire shall make and file all applications, reports, and returns required in connection therewith.

6.1.8 Concessionaire agrees to promptly repair, at its sole cost and expense and in a manner acceptable to the District, any damage caused by Concessionaire or any of its agents, employees, or contractors to the Airport or any improvements or property located thereon.

6.2 Restrictions on Uses and Privileges

6.2.1 The Leased Premises shall be used only for the purposes expressly specified in this Agreement. Concessionaire shall not at any time during the term hereof, vacate the Leased Premises without the prior written consent of the District.

6.2.2 Concessionaire is not authorized to act as the District's agent hereunder and shall have no authority, express, or implied, to act for or bind the District.

6.2.3 District, through its designated agents, shall have the right during Concessionaire's normal business hours upon reasonable notice (and at any time during an emergency) to inspect the Leased Premises and the property of Concessionaire located thereon, in order to enforce this Agreement, to enforce applicable laws and regulations, and to protect persons and property.

6.2.4 The District shall retain the right to grant privileges under separate agreements for food or beverage services and vending services at the Airport. At any time during the term of this Agreement, the District shall have the right, in its sole discretion, to lease new or additional space in the Airport to other concessionaires under a separate agreement,

6.2.5 Notwithstanding the provisions of Section 6.1.1, Concessionaire specifically understands and agrees that, in the event of a conflict between Concessionaire and any other lessee or concessionaire at the Airport as to specific items to be sold or services to be provided, the District shall make the final determination as to which product or service may be sold or provided by each concessionaire or lessee.

6.2.6 The products and services listed on Exhibit C as Prohibited Items shall not be displayed or sold in the Airport.

7. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23, Subpart F pertaining to the participation of Disadvantage

Business Enterprises ("DBEs") in Airport contracting opportunities. The Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex, in connection with the award or performance of any lease and concession agreement covered by 49 CFR Part 23, Subpart F.

District is required to submit to the FAA an Airport Concession Disadvantage Business Enterprise (ACDBE) Program and goal every three (3) years. The ACDBE goal for concession companies has been established at 15% for FY 2024. Concessionaire shall make good faith efforts as defined by the applicable regulation to obtain ACDBE firms participation.

Concessionaire shall submit, in the format required by the District, a quarterly report of DBE participation, including DBE participants' name, address, contact information, type, and dollar amount of participation and percentage of participation. Concessionaire shall reasonably assist the District in identifying participants in the business opportunities covered by the lease and concession agreement who may be eligible for certification as a DBE.

8. FINANCIAL INVESTMENT

8.1 Minimum Capital Expenditure

As a valuable consideration for the District's entering into this Agreement, Concessionaire shall finance the construction, furnishing, and equipping of the Leased Premises in accordance with the provisions of Section 9 and shall expend in said construction, furnishing, and equipping (including Leasehold Improvements and Trade Fixtures, but not including inventory, office equipment, working capital, small wares, and start-up costs) an aggregate minimum investment of _____ for the Leased Premises. Excluded costs shall not be counted toward Concessionaire's satisfaction of the minimum capital expenditure requirement.

8.2 [Mid-term Refurbishment

Prior to the final ninety (90) days of the fifth (5th) Lease Year of the Agreement, Concessionaire shall submit plans and an implementation schedule, for approval to the District, for mid-term refurbishments to occur during the sixth (6th) Lease Year of the Agreement. The cost of such refurbishments shall be no greater than the amount proposed of \$20.00 per square foot of customer viewing area square footage. The customer viewing area square footage is calculated at _____ square feet.]
[NOTE – SUBJECT TO MODIFICATION DEPENDING ON TERM]

8.3 Future Build-Out Investment

Not Applicable.

8.4 Certified Construction Costs

Within ninety (90) days after the date after completion of the Leasehold Improvements, Concessionaire shall provide the District a copy of all construction financial reports prepared for the Concessionaire's lender (or if Concessionaire does not have a lender then such reports as would typically be required by a construction lender) of monies actually expended in the design and installation of the

improvements, in accordance with the approved plans. The reports shall certify: (i) the total of all monies actually expended for the improvements; (ii) the amount of such expenditures that may be counted toward the minimum capital expenditure required under Section 8.1; and (iii) whether or not the said total expenditure and the amount that may be counted toward the minimum capital expenditure required under Section 8.1 were derived in accordance with the provisions of this Agreement. Concessionaire shall provide, upon request, such invoices and other back documentation as may be required by District to verify the amount of capital expenditure and the amount which may be counted toward the minimum capital expenditure required under Section 8.1. Concessionaire shall be responsible for documenting the capital expenditure that the monies were expended and that they are true and correct, and why such monies are eligible to be counted toward the minimum capital expenditure required under Section 8.1. In lieu of a CPA certified audit, the District shall permit Concessionaire to submit a certified statement of minimum capital expenditure required under Section 8.1 with supporting documentation by an Officer of the company. This certification reporting shall also apply to any mid-term refurbishments, and future new build-out as described in Subsection 8.2 and Subsection 8.3. In addition to the certified statement, Concessionaire shall submit to the District a depreciation schedule for all Leasehold Improvements calculated in accordance with Section 19.6.2. Such depreciation schedule shall be updated upon the installation and cost certification of all mid-term refurbishments and new build-outs.

9. CONSTRUCTION OF IMPROVEMENTS AND DESIGN, FURNISHING, AND EQUIPPING OF LEASED PREMISES

9.1 District Improvements and Services

District shall provide and maintain, water, sewer, gas, general lighting, electrical power, heating, and air-conditioning for the Terminal Building. Electrical, gas, water, and sewer service shall be provided to the Leased Premises shell, with build-out within the Leased Premises the responsibility of the Concessionaire. If Concessionaire requires additional capacity for lighting, electrical power, water, telephone outlets, or adjustments to the heating and air-conditioning system, beyond the capacities provided by the District, such additional improvements or services shall be subject to the prior written approval of the District, and any such approved improvements or services shall be made at Concessionaire's expense. Concessionaire may, at its own expense, request and receive telephone services, Wi-Fi services, or communication systems and shall obtain written approval from the District before installation.

9.2 Tenant Improvements

9.2.1 Concessionaire shall provide, maintain, and repair in its Leased Premises any improvements, facilities, decorations, signs, finishes, fixtures, and equipment (the "Concessionaire Improvements") needed to carry on its food and beverage concessions operation. In addition to any other requirements set forth herein, but except to the extent District requires otherwise,

Concessionaire Improvements shall be at least as set forth in Concessionaire's proposal attached hereto as Exhibit A, and shall comply with Franchise Agreement. Concessionaire shall, prior to installing or altering any Concessionaire Improvements, submit detailed plans, specifications, and material lists to District for its approval and shall not proceed with any construction, installation, or alterations until the District's written approval is obtained. First-class standards of design and construction, as determined by the District, shall be complied within connection with all such work, facilities, and improvements; and all construction shall conform to the District's design guidelines. Sets of plans and materials boards for all improvements or subsequent changes therein or alterations thereof shall be given to the District for review prior to commencement of construction in accordance with the requirements listed in the tenant design guidelines. After final approval by the District, the District shall return to Concessionaire one (1) approved copy for Concessionaire's records and shall retain one (1) approved copy as an official record thereof. The District's approval of any Concessionaire Improvements shall not be unreasonably withheld, but may take into account any reasonable factor, including quality, attractiveness, safety features, and whether the Concessionaire Improvements are, in the District's sole judgment, aesthetically pleasing and in keeping with the decor of the building and surrounding areas.

- 9.2.2** Concessionaire will be required to comply with the District's prior written approval procedure and construction requirements for all tenant alterations to be implemented in the Leased Premises. All costs associated with the approval process (other than costs of the District's employees, agents or contractors), including any resubmissions, shall be borne by Concessionaire.
- 9.2.3** All improvements, furniture, fixtures, equipment, and finishes, including the plans and specifications therefore, constructed or installed by Concessionaire, its agents, or contractors, shall conform in all respects to applicable statutes, ordinances, building codes, and rules and regulations, including the Americans with Disabilities Act of 1990 and any amendments, as outlined in the tenant design guidelines. Any approval given by the District shall not constitute a representation or warranty as to such conformity; responsibility therefore shall at all times remain with Concessionaire.
- 9.2.4** The District's approval requirements shall extend to and include architectural and aesthetic matters and the District reserves the right at its sole and absolute discretion (which discretion shall not be exercised unreasonably) to reject any layout or design proposals submitted and to require Concessionaire to resubmit any such layout or design proposals until they meet the District's approval.
- 9.2.5** In the event of disapproval by the District of any portion of any plans or specifications, Concessionaire shall promptly submit necessary modifications and revisions thereof for approval by the District. The District agrees to act promptly upon such plans and specifications and upon requests

for approval of changes or alterations in said plans or specifications. No substantial changes or alterations, as determined by the District, shall be made in said plans or specifications after initial approval by the District, and no alterations or improvements shall be made to or upon the Leased Premises without the prior written approval of the District. No more than ninety (90) days after the completion of any construction project, Concessionaire shall provide the District with two (2) completed sets of as-built drawings in reproducible form as specified by the District and an electronic file of as-built drawings in a format acceptable to the District. Concessionaire agrees that, upon the request of the District, Concessionaire will inspect the Leased Premises jointly with the District to verify the as-built drawing.

- 9.2.6** Prior to the commencement of any improvements greater than Two Hundred Thousand Dollars (\$200,000), the District shall have the right to require that Concessionaire shall obtain, or cause to be obtained, a contract surety bond in a sum equal to the full amount of any construction contract awarded by Concessionaire for the improvements. Said bond (i) shall name the District as an obligee hereunder; (ii) shall be drawn in a form and from such Concessionaire acceptable to District and authorized to do business in the State of South Carolina; (iii) shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and (iv) shall protect the District against any losses and liability, damages, expenses, claims, and judgments caused by or resulting from any failure to perform completely the work described. The District further reserves the right to require that Concessionaire acquire or cause to be acquired a payment bond with any contractor or contractors of Concessionaire as principal, in a sum equal to the full amount of the construction contract awarded by Concessionaire for the improvements. Said bond shall name the District as an obligee hereunder and shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies, and equipment used in the performance of said construction contract.
- 9.2.7** Any work associated with such construction or installation by Concessionaire shall be completed in a first class manner, and shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Airport tenants and users.
- 9.2.8** Concessionaire shall furnish or require contractors to furnish satisfactory evidence of statutory workers' compensation insurance, comprehensive general liability insurance, comprehensive automobile insurance, and physical damage insurance, on a builder's risk form with the interest of the District endorsed thereon as an additional insured, in such amounts and in such manner as the District may reasonably require. The District may require additional insurance for any alterations or improvements approved hereunder, in such limits as the District reasonably determines to be necessary.

9.2.9 Any construction or installation shall be at the sole risk of Concessionaire, shall be in accordance with all applicable state and local codes and laws, and shall be subject to inspection by the Airport Director or designated representative.

10. TITLE TO IMPROVEMENTS AND STRUCTURAL ALTERATIONS

10.1 Title to Improvements

All improvements made to the Leased Premises by Concessionaire, and any additions and alterations thereto made by Concessionaire, shall be and remain the property of Concessionaire until the termination of this Agreement at which time said improvements, except for Personal Property, and expendables, shall become the property of the District, at no cost to the District.

10.2 Structural Alterations, Removal, and Demolition

Concessionaire shall make no structural alterations to the Leased Premises without the prior written consent of the District. Furthermore, Concessionaire shall not remove or demolish, in whole or in part, any Leasehold Improvement upon the Leased Premises without the prior written consent of the District, which may, at its sole discretion, condition such consent upon the obligation of Concessionaire, at Concessionaire's cost, to replace the same by an improvement specified in such consent.

10.3 Alterations and Improvements to Airport

Concessionaire acknowledges that from time to time the District may undertake construction, repair, or other activities related to the operations, maintenance, and repair of the Terminal that may temporarily effect Concessionaire's operations hereunder. Concessionaire agrees to accommodate the District in such matters, even though Concessionaire's own activities may be inconvenienced, and Concessionaire agrees that no liability shall attach to the District, its employees, or agents by reason of such inconvenience or impairment.

It is agreed that in the event such activities of the District substantially impair the operations of Concessionaire under this Agreement, the Minimum Annual Guarantee shall be waived during such period of substantial impairment, with what constitutes "substantial impairment" being determined at the reasonable discretion of the District after consultation with Concessionaire.

10.4 Concessionaire Liens

Concessionaire shall not create, or permit or suffer to be created or to remain, any mechanics' or material man's lien filed against the Leased Premises or any of the District's property by reason of construction, labor, services, or materials performed or furnished at the request of Concessionaire or any contractor or supplier employed by Concessionaire. Concessionaire may contest the same in any claim filed or noticed in good faith. Notwithstanding such contest, Concessionaire shall, within fifteen (15) days after the filing thereof, cause such lien to be released of record by payment, bond, order of a court of competent jurisdiction or otherwise. In the event of Concessionaire's failure to clear the record of any such lien within such time

period, the District may (but is not required to) remove said lien by paying the full amount thereof or by bonding or in any other manner the District deems appropriate, without investigating the validity thereof, and irrespective of the fact that Concessionaire may contest the propriety or the amount thereof, and Concessionaire, upon demand, shall pay the District the amount so paid out by the District in connection with the discharge of said lien, together with interest thereon at the rate of 1.5% per month or the maximum legal rate, whichever is greater, and reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, which amounts are due and payable to the District as Additional Rent on the first day of the next following month.

Nothing contained in this Agreement shall be construed as consent on the part of the District to subject the District's estate in the Leased Premises to any lien or liability under the laws of the State of South Carolina. Concessionaire's obligation to observe and perform any of the provisions of this Section 10.4 shall survive the expiration of the Agreement term or the earlier termination of the Agreement.

11. MAINTENANCE OF PREMISES

District and Concessionaire Maintenance Obligations are defined in EXHIBIT H

11.1 District's Maintenance Obligations

11.1.1 General Maintenance and Operation

District agrees that it will with reasonable diligence prudently develop, improve, and at all times maintain, operate, and keep in good repair the Airport, including the Terminal Building (except that Concessionaire shall be responsible for its Leased Premises as provided above and for repairing any damage caused by its agents, employees or contractors) and all appurtenances, facilities, and services now or hereafter connected therewith. No janitorial services will be provided to the Leased Premises unless coordinated with the District through another contractual arrangement.

11.1.2 Structural Maintenance

District shall provide, or cause to be provided, structural maintenance of the Terminal Building.

11.1.3 Maintain Access

District shall, throughout the term of this Agreement, maintain all roads on the Airport giving access to the Terminal Building in good and adequate condition for use by cars and trucks and shall, as allowed by law, maintain free and uninterrupted access to the Terminal Building over such roads at all times.

11.2 Concessionaire's Maintenance Obligations

11.2.1 Concessionaire's General Obligations

Concessionaire shall maintain and repair its Concessionaire Improvements

as well as any other equipment or fixtures installed (whether by it or by the District) in its Leased Premises. Concessionaire shall be responsible for routine maintenance and cleaning of its Leased Premises and shall keep such areas in a neat, clean, and attractive condition. In addition, Concessionaire shall take reasonable care to avoid any unnecessary or excessive littering or soiling of any Leased Premises utilized under this Agreement, and shall promptly repair any damage to any of its Leased Premises or the fixtures, improvements, or equipment therein caused by Concessionaire or any employee, agent, contractor or customer of Concessionaire. Concessionaire shall be responsible for placing in a central location, as determined by the District, all refuse and trash generated by Concessionaire, which shall be disposed of by the District.

11.2.2 District Sole Judge of Maintenance

District shall be the sole judge of the quality of maintenance. The District or its authorized agents may at any time, without notice, enter upon the Leased Premises to determine if maintenance satisfactory to the District is performed. If it is determined that said maintenance is not satisfactory, the District shall so notify Concessionaire in writing. If said maintenance is not performed to the District satisfaction by Concessionaire within thirty (30) calendar days after receipt of written notice, the District or its agents thereafter shall have the right to enter upon the Leased Premises and perform the maintenance therefore and Concessionaire agrees to promptly reimburse the District for the cost thereof.

11.2.3 Routine Refurbishment

On or about the commencement of each Lease Year, representatives of the District and Concessionaire shall tour the Leased Premises and jointly agree upon what, if any routine refurbishment is required to maintain the Leased Premises in first-class condition, and Concessionaire shall, within ninety (90) days, undertake such refurbishment at its sole cost and expense. If Concessionaire and the District cannot jointly agree upon the type and extent of refurbishment, the District may in its sole discretion determine the refurbishment required. For purposes of this paragraph, "refurbishment" shall mean the routine repainting or redecoration of concession space within the Leased Premises, including the replacement or repair of worn carpet, tile, furnishings, fixtures, finishes, or equipment.

11.2.4 Mid-term Refurbishment

Mid-term refurbishments shall be made in accordance with provision in Subsection 8.2.

11.2.5 Hazardous Conditions

Upon discovery, Concessionaire shall immediately give oral notice to the District of any hazardous or potentially hazardous conditions in the Leased Premises or in the Terminal Building. Any hazardous or potentially hazardous condition in the Leased Premises that did not exist prior to the

commencement of this Agreement shall be corrected immediately by Concessionaire upon receipt of oral notice from Concessionaire's local manager. At the discretion of said Concessionaire's management, Concessionaire shall close the Leased Premises until such hazardous or potentially hazardous condition is removed.

11.2.6 Health and Sanitary Regulations

Concessionaire shall comply with all health and sanitary regulations adopted by all applicable governing bodies and all rules and regulations promulgated by the District. Concessionaire shall give access for inspection purposes to any duly authorized representatives of such governing bodies and to the Airport Director or their designated representatives. Concessionaire shall provide the District with copies of all inspection reports, within forty-eight (48) hours of receipt by Concessionaire. For reports requiring corrective action, Concessionaire shall provide the District with invoices showing what remedies were applied, as well as any follow-up inspection reports, within seventy-two (72) hours of citation. If at any time, customers complain to Concessionaire of evidence of food-borne illnesses, such as food poisoning, claiming Concessionaire's operations as the source of the illness, whether Concessionaire acknowledges the complaint to be valid or not, Concessionaire agrees to notify the District within twenty-four (24) hours of receipt of such complaint.

11.2.7 Trash and Refuse

Concessionaire shall provide for the satisfactory and sanitary handling of all trash and other refuse caused as a result of its operation of the Leased Premises and provide for timely placement in a dumpster owned by the District. Concessionaire will keep trash within the Leased Premises until such time as Concessionaire's employees can safely remove it to the pre-approved dumpster. Piling of boxes, cartons, barrels, or other similar items in view of the public is prohibited. Concessionaire shall keep any areas used for trash and garbage storage prior to removal from the Terminal Building in a clean and orderly condition so as not to attract rodents, pests, or birds, or create an offensive odor. In transporting trash and refuse from the Leased Premises, Concessionaire shall use only carts or conveyances that are covered, leak proof, and equipped with wheels made of rubber, suitable for operating on carpets and tile without damage thereto. Trash or debris shall not be allowed to accumulate or be stored on any portion of the Leased Premises.

11.2.8 Cleaning and Janitorial Services

Concessionaire shall at all times maintain the Leased Premises, including all customer seating areas, and all equipment and materials used by Concessionaire in a clean and sanitary condition, including, but not limited to, keeping them free of rubbish, dirt, insects, rodents, and vermin in accordance with the policies set by the District as well as all laws, statutes, ordinances, and regulations set by the local and state governmental agencies.

All cooking equipment, refrigeration, freezer, storage units, grease traps, drains, and piping shall be constructed to facilitate the necessary cleaning and sterilization. Concessionaire shall provide and maintain trash receptacles, as required, in all customer areas.

12. OPERATION OF LEASED PREMISES

12.1 Food and Beverage Services

Concessionaire shall have the right to operate a nonexclusive food and beverage business at the Airport under the terms and conditions provided herein and Concessionaire hereby agrees to operate such a concession.

12.2 Operation

12.2.1 During the continuance of this Agreement, Concessionaire agrees to conduct, operate, and maintain in the Airport Terminal Building said Leased Premises listed in Subsection 2.1, subject to the terms and conditions contained herein.

12.2.2 Concessionaire hereby acknowledges and understands that its primary obligation and the District’s primary purpose in entering into this Agreement is to provide well-managed, first-class facilities, and service to the public at the Airport. To carry out this obligation, Concessionaire shall use the Premises and operate its business in compliance with all of the requirements of this Agreement.

12.3 Hours of Operation

Concessionaire shall actively operate its business in the Leased Premises in a business-like manner. The Leased Premises shall be open to serve the public seven (7) days per week, three-hundred sixty-five (365) days per year, and the hours of operations shall be such that passengers of all flights departing from the Terminal Building will be accommodated. In no event shall the hours of operations be curtailed to an extent that the service contemplated under this Agreement shall be diminished. Except as otherwise stated herein, the hours of service shall be determined in light of changing public demands and the District’s flight schedules. Concessionaire may advise the District of Concessionaire’s analysis of the optimum operation schedule, but the final determination of minimum hours of operation shall be made by the District. The minimum hours of operation for the first one hundred eighty (180) days of the Agreement shall be as follows:

Unit	Location	Minimum Hours of Operation
_____	Post-Security	Sun-Sat TSA check point open-Last outbound flight

An evaluation of the minimum hours of operation will be reviewed by the Concessionaire and District at the end of the first 365 days of operation. The hours of operation may be changed upon submittal of a specific and substantiated request by the Concessionaire and receipt of prior written approval from the District. All locations shall remain open to accommodate flight delays to serve the Terminal customers.

12.4 Delivery of Goods

Concessionaire shall arrange and be responsible for the timely delivery of all goods, stock, fixtures, and supplies to and from the Leased Premises, at such times, at such on-airport locations, and by such on-airport routes as approved by the District. Rubber-tired dollies or a transport apparatus must be used to deliver goods. Any damage incurred to the Terminal Building including fixtures or infrastructure during product distribution must be replaced or repaired to the District's satisfaction at the Concessionaire's expense. The District approved floor and wall protection may be required for over-sized or heavy loads. Delivery of goods to the Leased Premises should be scheduled during non-peak hours.

12.5 Cash and Record Handling Requirements

12.5.1 General

Concessionaire shall at all times observe cash and record handling procedures and maintain cash and record handling systems in accordance with written procedures submitted to and approved by the District. The District and Concessionaire agree that such written procedures may be revised from time to time, as mutually agreed upon by Concessionaire and the District.

12.5.2 Fidelity or Employee Dishonesty Bonds

Concessionaire shall maintain fidelity or employee dishonesty bonds in amounts standard within the airport concession industry on its employees engaged in activities under this Agreement.

12.6 Utilities

12.6.1 Heat and Air Conditioning

The District shall provide heat and air-conditioning to the Terminal in which the Leased Premises are located. If Concessionaire requires additional capacity or adjustments to the heating and air-conditioning system, beyond the capacities provided by the District, such additional improvements or services shall be subject to the prior written approval of the District, and any such approved improvements or services shall be made at Concessionaire's expense.

12.6.2 Electricity

The District shall provide electricity to the perimeter of the Leased Premises and Concessionaire shall make such connections as required and permitted by applicable building code. At no time shall Concessionaire's use of electric current exceed the capacity of the wiring serving the Leased Premises.

12.6.3 Interruptions to Utility Services

The District shall not be liable for any interruptions to the utility services provided in the Terminal and to the Leased Premises.

12.7 Other Business

Concessionaire covenants and agrees, except as may otherwise be provided in other contracts entered into between Concessionaire and the District, that Concessionaire will not engage in any business at the Airport other than that permitted under the terms of this Agreement.

12.8 Signs

Concessionaire shall have the right to install and maintain appropriate signs in or upon the Leased Premises, provided that the design, installation, and maintenance of all signs shall have the prior written approval of the District, which approval shall not be unreasonably withheld. Concessionaire shall not place or install any racks, stands, Trade Fixtures, pedestal signs, or other displays of products outside the boundaries of the Leased Premises without the express prior written approval of the District. Upon expiration or early termination of this Agreement as provided herein, Concessionaire shall, if requested by the District, remove any and all identification signs placed by Concessionaire on or in the Leased Premises. In the event Concessionaire fails to remove each and every sign as requested by the District, the District may perform such work and, upon demand, Concessionaire shall pay the costs thereof to the District.

12.9 Ingress and Egress

Concessionaire shall have the rights of ingress to and egress from the Leased Premises over the Airport roadways, including the use of common-use roadways, subject to such rules and regulations now in existence or as may be established from time to time by the District respecting such use, and subject to law.

12.10 Employee Parking

District will attempt to provide parking for Concessionaire's employees on a space-available basis in the employee parking area in common with employees of other operators and tenants at the Airport. There is currently no charge for employee parking. The District may charge a parking fee, from time to time, upon giving a thirty (30) day written notice to Concessionaire. Any parking fees charged shall be assessed on a monthly basis and shall be payable by Concessionaire by the tenth (10th) day of the following month.

12.11 Modification

The described Leased Premises, rights, and Concessions may be modified by the District with the consent of Concessionaire to implement the purpose and intent of this Agreement.

12.12 Communications; Interference with Operations of the District

Concessionaire shall not install or enter into any third party agreements regarding data, telecommunications, video, or radio equipment (wired or wireless) installations without the prior written approval of the District. Concessionaire acknowledges that the District has special safety and operational concerns regarding the District’s communication ability at the Airport. Therefore, Concessionaire shall operate any and all of its communications equipment (wired or wireless) in a manner that will not cause interference to the District’s operations of the Airport. Upon any notification from the District, the FAA or the police or fire departments of any interference caused by Concessionaire's operation, Concessionaire shall cease and desist all communications operations, transmissions, and uses related to the Leased Premises. Concessionaire may not resume communications operations until the District has so notified Concessionaire in writing.

12.13 Use of Premises

The Leased Premises shall be used only for the purposes specified in this Agreement. Concessionaire shall not at any time during the term hereof abandon any of the Leased Premises without the prior written consent of the District.

12.14 Liquidated Damages

Concessionaire’s failure to adhere to the operating requirements set forth in this Agreement is reasonably anticipated to result in significant inconvenience to the public, adversely affect the overall commercial business of the Airport, and reduce the amount of concession fees paid to the District. Additionally, District resources will be expended in dealing with violations of this Agreement by Concessionaire. The parties hereby agree that total damages sustained by the District for the violations set forth below could be significant, but would be difficult to determine and to track. Therefore, the parties hereby agree that the liquidated damages set forth below are reasonable estimates of the loss anticipated to be suffered or incurred by the District. Concessionaire, therefore, hereby agrees that, commencing after the fifth (5th) credibly documented violation occurrence per category within a twelve (12) month period, the imposition of the liquidated damages set forth below is fair and reasonable, and Concessionaire agrees to pay the same immediately upon demand by the District; provided, however, it is specifically agreed that if any District/Airport invitee shall report multiple credibly documented violation occurrences per category, then, in that event, only one (1) of such invitee’s reported violation occurrences per category shall be counted towards the five (5) violation occurrences per category threshold:

VIOLATION	LIQUIDATED DAMAGES
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Operating Hours Violations	<p>\$100 per hour of portion thereof, during which location is not open- sixth occurrence</p> <p>\$200 per hour of portion thereof, during which location is not open- seventh occurrence</p> <p>\$300 per hour of portion thereof, during which location is not open- eighth occurrence</p> <p>\$1,000 per occurrence thereafter</p>
Service Standards and Employee Standards Violation	\$50 after the fifth occurrence
Sign Violations	<p>\$50 after the fifth occurrence</p> <p>\$100 per occurrence thereafter</p>
Service and Quality of Menu Violations	<p>\$250 after the fifth occurrence</p> <p>\$500 per occurrence thereafter</p>
Sanitation, Hygiene, Cleanliness, and Waste Disposal	<p>\$100 after the fifth occurrence, for up to three (3) occurrences.</p> <p>\$1,000 per occurrence thereafter</p>
Fire/Life Safety Violations	<p>\$500 after the fifth occurrence</p> <p>\$1,000 per occurrence thereafter</p>
Failure to Provide documents to the District in Accordance with Agreement	\$100 for each and every calendar day of delay (notwithstanding any other remedies or actions provided for herein)

13. SERVICE QUALITY

13.1 Menu Plan

Concessionaire shall sell the items listed in the designated locations listed in Exhibit B. Concerning those items for sale as described in Exhibit B, Concessionaire shall upon written demand from the District cease selling any item that the District shall determine is objectionable for sale or display in the Terminal and immediately

remove such item from its inventory or menu and not thereafter offer such item for sale in the Terminal. Upon prior written approval from the District, Concessionaire may from time to time add or delete items from its menu offerings.

13.2 Service and Quality of Menu Products

Concessionaire shall maintain the highest level of service and quality of products. The level of service and quality of products shall be comparable to other similar first class establishments in airports located in the United States.

Concessionaire shall offer for sale only high-quality products and those that are safe, fresh, and free of alteration, sanitary, properly labeled, and as advertised.

13.3 District's Right to Object

The District shall have the right to raise reasonable objections to the appearance or condition of the Leased Premises, the quality and quantity of merchandise, the character of the service, the hours of operation, the appearance, and performance of service personnel, and to require any such conditions or practices objectionable to the District to be remedied by Concessionaire.

13.4 Nondiscriminatory Services

Concessionaire shall provide all services authorized hereunder to its customers and patrons upon fair, equal, and nondiscriminatory basis and charge fair, reasonable, and nondiscriminatory prices; provided, however, that Concessionaire may make or give such reasonable and nondiscriminatory discounts, rebates, or other similar price reductions as it may desire to its employees, Airport tenant employees, and Airport employees.

13.5 Replacements and Refunds

Concessionaire shall exchange any product, determined by said purchaser to be unsatisfactory, flawed, defective, or of poor quality, or shall provide a full refund of the purchase price within forty-eight (48) hours of receipt of such complaint.

13.6 Credit and Debit Cards and Travelers Checks

At all times during the term of this Agreement, Concessionaire shall accept as payment for goods and services traveler's checks and at least three major, nationally recognized credit or debit cards as designated by the District.

13.7 Services to the General Public

Concessionaire shall provide services such as making change, giving directions, and providing general information to the public. Concessionaire shall ensure that all of its employees attend a customer service training program conducted by Airport trainers. Said training to be held at a location determined by the District.

13.8 Additional Compliance

Concessionaire shall comply with all applicable governmental laws, ordinances, and regulations in the conduct of its operations under this Agreement.

13.9 Personnel

13.9.1 General

Concessionaire shall employ a sufficient number of properly trained personnel to ensure that all customers of Concessionaire receive prompt, courteous and efficient service at all times. All such personnel, while on or about the Leased premises, shall be polite, clean, appropriately attired, and neat in appearance. Employees of Concessionaire shall wear/display their Airport-issued security badges as required. The District shall have the right to object to the demeanor, conduct, and appearance of any employee of Concessionaire, or any of its invitees or those doing business with it, whereupon Concessionaire shall take all steps necessary to remedy the cause of the objection.

13.9.2 Manager(s)

The management, maintenance, and operation of the Leased Premises shall be at all times during the term hereof under the supervision and direction of an active, qualified, competent, and experienced manager(s), who shall at all times be authorized to represent and act for the Concessionaire.

13.10 Customer Receipts

Concessionaire shall provide receipts for all purchases to customers that state, at a minimum, the name of the airport, the date of the sales transaction, the trade name, and telephone number of the business operated in the Leased Premises, and all detailed sales transaction information, including taxes charged.

14. PERFORMANCE SECURITY AND DEPOSIT

On or before the Commencement Date hereof, Concessionaire shall furnish an unconditional, irrevocable letter of credit, in a form reasonably acceptable to the District, or such other security approved by the District to assure the faithful and full performance by Concessionaire of this Agreement and to stand as security for the payment by Concessionaire of any valid claim by the District against Concessionaire, "Exhibit G" The letter of credit shall be drawn in favor of the District upon a bank that is satisfactory to the District and that is authorized to do business in South Carolina. Such irrevocable letter of credit shall be in an amount equal to one-half (1/2) of the MAG; shall be in a form that is satisfactory to the District and shall remain in effect without interruption during the Term of this Agreement as amended and sixty (60) days thereafter. If the term of the letter of credit is less than the Term of this Agreement as amended, Concessionaire shall deliver to the District written notice from the bank of its renewal no later than sixty (60) days before the stated expiration of the letter of credit. As an alternative to the letter of credit, Concessionaire shall have the option of furnishing the District with a valid surety bond, in an amount equal to one-half (1/2) of the MAG, issued in a form reasonably acceptable to the District.

The bond shall be issued by a surety company, which is an admitted insurer in the State of South Carolina and qualified to do business in the State of South Carolina and acceptable and satisfactory to the District. The surety bond shall be maintained and kept by Concessionaire in full force and effect during the Term of this Agreement as amended and sixty (60) days thereafter and shall be conditioned to assure the faithful and full performance

by Concessionaire of this Agreement and to stand as security for the payment by Concessionaire of any valid claim by the District against Concessionaire.

The surety company may issue the performance bond for a term of one (1) year and may renew said performance bond annually; provided, however that Concessionaire shall deliver written notice of such renewal from the surety company to the District no later than sixty (60) days before the stated expiration of the bond. The amount of performance security shall be adjusted from time to time as needed so that it remains not less than one-half (1/2) of the then-current MAG. Nothing herein shall be construed to limit any legal rights or remedies, which the District may have against Concessionaire.

15. INDEMNIFICATION

Concessionaire shall indemnify, defend, and hold harmless the District, and its commissioners, officers, agents and employees, from and against any and all claims, fines, damages, penalties, actions of every kind or character, whether at law or in equity, and all expenses, including reasonable attorneys' fees and related expenses incurred in the investigation and defense thereof (including statutory liability and liability under Worker's Compensation Laws) arising out of Concessionaire's operations at the Airport and in connection with its rights and obligations contained herein, including, but not limited to, any and all claims for damages as a result of the injury to or death of any person or persons, or damages to any property which arises as a result of any act or neglect on the part of Concessionaire or its officers, partners, employees or agents; provided, however, that Concessionaire shall not be required to indemnify the District for any injury or damage or loss to the extent caused by the fault or negligence of the District or its officers, agents and employees.

16. INSURANCE

16.1 Insurance Required

Throughout the term of this Agreement, Concessionaire shall maintain in full force and effect the forms of insurance specified in Exhibit E. In the event Concessionaire does not have the required certificate(s) of insurance or binder(s) evidencing the proper insurance coverage, or the required insurance coverage lapses, this Agreement may immediately be terminated at the District's option.

16.2 Member Protection

The Concessionaire shall have no recourse against any District commissioner, officer or employee for any claims arising under this Agreement. The Concessionaire expressly waives and releases any such claims both present and future.

17. ENVIRONMENTAL LAWS

17.1 Compliance

Concessionaire, at its own expense, shall ensure that Concessionaire and Concessionaire's agents, employees, contractors, invitees, sublessees, and third party that come in contact with the Leased Premises comply with all present and hereafter enacted Environmental Laws, and any amendments thereto, affecting operations on the Leased Premises. Concessionaire shall not cause or permit any substance

designated by the United States Environmental Protection Agency as an "Extremely Hazardous Substance" or "Toxic Chemical" to be used, generated, manufactured, produced, stored, brought upon, or released, on, under or about the Leased Premises, or transported to and from the Leased Premises. Concessionaire shall promptly notify the District of any action or condition that is contrary to any prohibition in the previous sentence. "Environmental Laws" means any and all laws, rules, regulations, regulatory agency guidance's, and policies, ordinances, applicable court decisions, and airport guidance documents, directives, policies (whether enacted by any local, state or federal governmental authority, or by the District) now in effect or hereafter enacted that deal with the regulation or protection of the environment (including the ambient air, ground water, surface water and land, including subsurface land and soil), or with the generation, handling, storage, disposal or use of chemicals or substances that could be detrimental to human health, the workplace, the public welfare, or the environment. "Release" means any releasing, disposing, discharging, injecting, spilling, leaking, leaching, pumping, dumping, emitting, escaping, emptying, seeping, dispersal, migration, transporting, placing, and actions of similar nature, including without limitation, the moving of any material through, into or upon any land, soil, surface water, ground water, or air, or otherwise entering into the environment.

17.2 Indemnity

Concessionaire shall indemnify, defend, and hold harmless the District, its successors and assigns, its Commissioners, employees, agents, and attorneys from and against any and all liability, loss, damage, expense, penalties, and costs (including legal and investigation fees or costs) arising from any claim or action for injury, liability, breach of warranty, or representation, or damage to persons or property and any and all claims or actions brought by any governmental authority of any kind, alleging, or arising in connection with (i) contamination of, or adverse effects on the environment (whether known, alleged, potential, or threatened), or (ii) alleged or potential violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are brought as a result (whether in part or in whole) of any activity or operation on or Release from the Leased Premises to the extent caused by the Concessionaire or any of its employees, agents or contractors during the term of this Lease.

This obligation includes but is not limited to all costs and expenses related to investigation and/or cleaning up the Leased Premises and all land, soil, and underground or surface water as required under the law. Concessionaire's obligations and liabilities under this paragraph shall continue so long as the District bears any liability or responsibility under the Environmental Laws for any action that occurred on the Leased Premises during the term of this Lease. This indemnification of the District by Concessionaire includes, without limitation, all reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material located on the Leased Premises or present in the soil or ground water on, under, or about the Leased Premises.

The parties agree that the District's right to enforce Concessionaire's promise to indemnify is not an adequate remedy at law for Concessionaire's violation of any provision of this paragraph; the District shall have all the rights and remedies set forth in this Lease as well as all other rights and remedies provided by law.

This indemnity is not applicable to losses, claims, penalties, fines, settlements, liabilities and expenses that result from conditions existing on the effective date of this Agreement.

18. DAMAGE OR DESTRUCTION

18.1 Damage

If the Terminal Building is damaged by fire, the elements, or any other cause, the District shall have the option to repair said damage at the District's expense. If the District elects to repair and the damage is such that the Terminal Building is not rendered untenable, Concessionaire shall continue to pay the fees and percentage rentals herein provided. In the event of total destruction of the Terminal Building by fire or otherwise, or destruction or damage so extensive that the District shall deem it necessary to rebuild the building or in the event the District elects not to repair or rebuild, Concessionaire may then terminate this agreement by giving the District ten (10) calendar days' written notice of its election to do so and within twenty (20) calendar days thereafter accounting for and paying the fees accruing up to the time of said destruction.

18.2 Limits of the District's Obligations Defined

It is understood that, in the application of the provisions of Subsection 18.1, the District's obligations shall be limited to repair or reconstruction of the Terminal Building. Concessionaire shall be obligated, at its sole cost and expense, to reconstruct, if necessary, all of its improvements and to replace, if necessary, all of its fixtures, signage, and equipment, and all such improvements, fixtures, signage, and equipment shall be of quality equal to that originally installed by Concessionaire in the Terminal Building, as applicable.

18.3 Damage or Destruction of Improvements

Should the Concessionaire's improvements, signage, equipment, or fixtures, or any part of them, be destroyed or damaged, and if the District elects to repair or replace under Subsection 18.1, they shall in all instances be repaired or replaced by Concessionaire whether or not said damage or destruction is covered by insurance. If Concessionaire fails to repair or replace such damaged improvements subject to a schedule approved by the District, the District shall have the right (but not the obligation) to make such repairs or replacement and recover from Concessionaire the cost and expense thereof.

18.4 Damage to Terminal or Airport Property Caused by Concessionaire

Any damage caused to the Terminal Building or Airport property including the property of other tenant, person, or entity caused by Concessionaire, or as a result of the operations of Concessionaire, shall be the responsibility of Concessionaire and Concessionaire shall reimburse the District for any such damage paid for by the District within thirty (30) days of billing by the District.

19. DEFAULT AND TERMINATION

19.1 Default by Concessionaire

The happening of one or more of the following events shall constitute an event of default by Concessionaire:

- 19.1.1** If at any time during the term of this Agreement, (i) there shall be filed by Concessionaire in any court pursuant to any statute, either of the United States or of any other jurisdiction or state, a petition in bankruptcy, or insolvency, or for reorganization or adjustment of debts, or for the appointment of a receiver or trustee of all or a portion of Concessionaire's property, or (ii) any such petition shall be filed against Concessionaire and not be dismissed within sixty (60) calendar days after such filing, or (iii) if Concessionaire makes an assignment for the benefit of creditors or petitions for or enters into an arrangement with its creditors; or
- 19.1.2** If Concessionaire shall fail to pay when due any fees or other payment required under the terms hereof and such failure shall continue for a period of ten (10) calendar days following receipt by Concessionaire of written demand from the District to do so; or
- 19.1.3** If Concessionaire shall default in the performance of any other term, covenant, or condition to be performed by it hereunder and shall fail to remedy said default within thirty (30) calendar days following receipt by Concessionaire of written demand from the District to do so, or if by reason of the nature of such default the same cannot be remedied within such thirty (30) day period, Concessionaire shall have failed to commence the remedying of such default within said period or having so commenced, shall have failed thereafter to continue with diligence the remedying thereof; or
- 19.1.4** If at any time during the term of this Agreement, Concessionaire fails to operate the aforementioned concessions; or
- 19.1.5** If at any time the Franchise Agreement is terminated for any reason, or is amended without District's prior written consent; or
- 19.1.6** If Concessionaire assigns this Agreement without the District's written consent; or
- 19.1.6** Concessionaire uses the Airport or any portion thereof for any illegal activity; or
- 19.1.7** Any action is commenced against Concessionaire to foreclose any lien or mortgage or other rights of Concessionaire in or to Concessionaire's Leased

Premises; or

19.1.8 Concessionaire abandons, deserts, or vacates its designated space or fails to operate continuously hereunder for seven (7) consecutive days or more.

19.2 Remedies upon Default by Concessionaire.

If an event of default described in Section 19.1 occurs and is not cured within the time allowed therein, then District may exercise any one or more of the following remedies:

19.2.1 Suspend the provision of any or all of the services to be provided by District to Concessionaire, without terminating this Agreement, until such event of default is remedied;

19.2.2 Without terminating this Agreement, seek specific performance of Concessionaire's obligations hereunder and in that connection, Concessionaire hereby agrees that District's remedies at law are and will be insufficient to preserve for District the benefit of this Agreement and that monetary damages would not be a sufficient remedy;

19.2.3 Without terminating this Agreement, reenter the Leased Premises (by legal action, if necessary), and proceed to relet as Concessionaire's agent all or any part of the Leased Premises as District in its sole discretion may deem necessary or appropriate, and on such terms, rentals and conditions as may, in the reasonable opinion of District, be commercially reasonable; all rentals received by District from such reletting shall be applied first, to District's expenses incurred in connection with any such reentering and reletting, including without limitation, any and all costs and expenses incurred in renovating or altering space in the Leased Premises to make it suitable for reletting, brokerage commissions and attorneys' fees and other fees incurred in connection therewith, and advertising costs and expenses; second, to all other damages and expenses suffered or incurred by District as a result of Concessionaire's breach hereof; and third, to all rent not paid by Concessionaire; any surplus of such rentals shall be held by District without interest and free from the claims of creditors of Concessionaire, as security for the continued payment and performance of Concessionaire's obligations hereunder until District terminates this Agreement or it expires, at which time, any amount remaining after full payment to District will be paid over to Concessionaire. Unless District has expressly notified Concessionaire that it is exercising the right of termination contained in Section 19.2.4 below, the actions described in this Section 19.2.3 shall not be deemed to terminate this Agreement or constitute an acceptance of any attempted or purported surrender by Concessionaire of the Leased Premises or any part thereof; or

19.2.4 By written notice to Concessionaire, terminate this Agreement, which termination shall be effective upon the date of such notice, and upon receipt of such notice, Concessionaire shall immediately vacate the Leased Premises; if Concessionaire thereafter remains in possession of the Leased Premises,

District may institute dispossessory proceedings. In addition to the foregoing, District may initiate an action against Concessionaire for the recovery of all rent due hereunder through the date of the notice of termination, or the date Concessionaire vacates the Leased Premises, whichever later occurs, together with all other damages, including consequential and incidental damages, attorney's fees and litigation costs suffered by District as a result of Concessionaire's breach hereof.

District shall also be entitled to recover from Concessionaire all expenses including reasonable attorney's fees incurred in connection with enforcement of District's rights and remedies under this Agreement.

19.3 No Waiver

No waiver of default by the District of any of the terms, covenants, or conditions of this Agreement to be performed, kept, and observed by the Concessionaire shall be construed to be an act of waiver of any subsequent default. The acceptance of fees by the District for any period or periods after a default of any of the terms, covenants and conditions of this Agreement to be performed, kept and observed by the Concessionaire, shall not be deemed a waiver of any right on the part of the District to terminate this Agreement for failure by the Concessionaire to so perform, keep, or observe any of the terms, covenants, or conditions of this Agreement.

19.4 Termination by Concessionaire

Concessionaire shall have the right to terminate this Agreement at any time that it is not in default of its obligations by giving the District thirty (30) days written notice after the happening of any of the following events materially impairing the conduct of its normal business from the Airport:

- 19.4.1** Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining normal use of the Airport or any substantial part of it which injunction remains in force for a period of ninety (90) consecutive days; or
- 19.4.2** The lawful assumption by the U.S. Government or any authorized agency thereof of the operation, control, or use of Airport or any substantial part thereof, in such a manner to substantially restrict Concessionaire for a period of at least ninety (90) calendar days from operating thereon; or
- 19.4.3** District shall default in the performance of any of the terms, covenants, or conditions to be performed by it under this Agreement and shall fail to cure such default within a period of thirty (30) calendar days following receipt of written demand from Concessionaire to do so, or if by reason of the nature of such default the same cannot be remedied within said thirty (30) day period, the District shall have failed to commence the remedying of such default within said thirty (30) day period, or having so commenced, shall have failed thereafter to continue with diligence the remedying thereof.

19.5 Removal of Property

Provided that it is not then in default hereunder, Concessionaire may, within fifteen (15) calendar days after the expiration or sooner termination of this Agreement, remove its Trade Fixtures, signage, and Personal Property provided that such removal can be accomplished without material injury to the Terminal Building and that Concessionaire, at its sole cost and expense, repairs any damage caused to the Terminal Building as a result of such removal to the District's satisfaction, and any such property not so removed by Concessionaire in the Terminal Building shall become the sole property of the District.

19.6 Capital Improvements at Termination

19.6.1 At the time of any termination of the Agreement either by expiration of the term or earlier termination by the District because of failure of the Concessionaire to satisfy the terms or conditions of the Agreement, all capital improvements become property of the District without financial obligation to the Concessionaire.

19.6.2 Should the Agreement be terminated early by the Concessionaire due to default by the District, all damages shall be limited to the remaining value of the fixed capital improvements made by Concessionaire based on the straight-line depreciation calculation over the term of the Agreement, with a zero salvage value at the end of the Agreement term. Depreciated costs shall include only fixed capital improvements that cannot be removed without demolition; and design and engineering costs limited to no more than fifteen percent (15%) of the depreciated cost of the fixed improvements. The cost of inventory, small wares, soft costs, office equipment, costs of doing business, and lost profits shall not be included in the calculation of fixed capital investments and are not recoverable upon expiration of the Agreement or early termination thereof due to default by the District.

19.7 Early Termination

In the event that either party terminates this Agreement in accordance with the provisions of Section 19, such termination shall not affect such party's right to damages as a result of the other party's default hereunder or any other remedy to which it is entitled by reason thereof. No such termination shall relieve a party of any obligation for the payment of fees or other charges due as of the date of such termination.

20. ASSIGNMENT

Concessionaire shall not, in any manner, assign, transfer or otherwise convey an interest in this Agreement, or sublet the Assigned Area, or any portion thereof ("Assignment") without the prior written consent of the District, which consent may be granted or withheld by the District in its sole discretion. Subject to the remaining provisions of this Agreement, if the Concessionaire is a corporation, limited liability company, or other entity, the issuance or the sale, transfer, or other disposition of sufficient number of shares of stock or percentage of membership interest or other form of equity in the Concessionaire to result in a change in control of the Concessionaire shall be deemed an assignment of this Agreement for

purposes of this Section 20. If the Concessionaire is a partnership, a transfer of an interest in the partnership, which results in a change in the control of such partnership, shall be deemed an assignment of this Agreement for purposes of this Section 20. Any assignee or transferee must meet the minimum qualifications for operators set forth in the Request for Proposals issued by the District prior to award of this Agreement; provided that District is not obligated to consent to the assignment or transfer to such an assignee or transferee.

Despite any other provision of this Section 20, the following events shall not constitute a sale, assignment, transfer or encumbrance of this Agreement or any interest: (a) the sale of all or substantially all of Concessionaire's or its parent companies assets or stock (whether by merger, consolidation, reorganization or otherwise), so long as such transfer is to a financial institution, institutional investor or a private equity investor; or (b) the transfer or issuance of shares of stock of Concessionaire or its parent companies to the public.

21. WAIVER OF CLAIMS

Concessionaire hereby waives any and all claims it now has or may hereafter have against the District, and against any Commissioners, officer, agent, or employee of each for any loss of anticipated profits that arise out of this Agreement or Concessionaire's use of the Leased Premises, or caused by any suit or proceeding attacking directly or indirectly the validity of this Agreement or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null and void or voidable, or delaying the same or any part thereof from being carried out. Concessionaire further hereby waives any and all claims for compensation for any and all resulting loss or damage that (a) are sustained in making the Leased Premises available to Concessionaire; or (b) arise by reason of any defects or deficiencies in the Leased Premises, in the Terminal Building, or in any of the services thereto, including but not limited to: power, gas, telephone, heating, air conditioning, or water supply system, drainage, or sewage system. Concessionaire, also, hereby expressly releases the District, and its respective Commissioners, officers, agents, and employees from any and all demands, claims, actions, and causes of action arising from any of such causes.

22. REQUIRED AND GENERAL PROVISIONS

22.1 Agreements with the United States of America

This Agreement shall be subject to all restrictions of record affecting the Airport, the use thereof, all federal, state, county, local, and the District laws and regulations affecting the same, and shall be subject and subordinate to the provisions of any and all existing agreements between the District, and those between the District and the United States of America, or their boards, agencies, or the Districts, and to any future agreements between or among the foregoing relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal, state, county, city, or the District funds for the development of the Airport, or any part thereof. All provisions hereof shall be subordinate to the right of the United States to occupy or use the Airport, or any part thereof, during time of war or national emergency.

22.2 Right to Amend

In the event that the Federal Aviation Administration or the Transportation Security Administration or their successors require modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for the improvements of the Airport, Concessionaire hereby consents to any and all such modifications and changes as may be reasonably required.

22.3 FAA Required Provisions

22.3.1 Concessionaire agrees that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a Department of Transportation ("DOT") program or activity is intended or for another purpose involving the providing of similar services or benefits, Concessionaire shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

22.3.2 Concessionaire agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex, or national origin in the use of the Leased Premises; (ii) that in the construction of any improvements on, over, or under the Leased Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Concessionaire shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

22.3.3 Concessionaire assures that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the Concessionaire or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (i) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (ii) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

22.3.4 Nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C.

§§ 40103(e) and 47107(a) (4).

- 22.3.5** This Agreement and all the provisions hereof shall be subject to whatever right the United States government now has or in the future may have or acquire, affecting the control, operation, regulation, and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.
- 22.3.6** Concessionaire shall conform to the District, Federal Aviation Administration and Transportation Security Administration safety and security rules and regulations, including Federal Aviation Regulations (FAR) Part 139 and Transportation Security Regulations Part 1500, 1520, 1540, and 1542, regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations. Concessionaire shall complete and pass airfield safe driving instruction program when offered or required by the District; and shall be subject to penalties as prescribed by the District for violations of the airport safety and security requirements.
- 22.3.7** If the District incurs any fines and/or penalties imposed by the TSA or any expense in enforcing the regulations of TSR Part 1542 and/or the Airport Security Program, as a result of the acts or omissions of the Concessionaire, Concessionaire agrees to pay and/or reimburse all such costs and expense. The Concessionaire further agrees to rectify any security deficiency as may be determined as such by the District or the TSA. the District reserves the right to take whatever action necessary to rectify any security deficiency, in the event the Concessionaire fails to remedy the security deficiency.
- 22.3.8** Concessionaire shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; provided that Concessionaire may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
- 22.3.9** 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, color, national origin, or sex in connection with the award of performance of any concession agreement, management contract or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.
- 22.3.10** Concessionaire agrees to include the above statements in any subsequent concession agreement that it enters and cause those businesses to similarly include the statements in further agreements.

22.4 Americans with Disabilities Act (1990)

Concessionaire agrees to comply with the Americans with Disabilities Act (1990) and any amendments and regulations thereto with regards to Concessionaire's operations and Leased Premises at Columbia Metropolitan Airport.

22.5 Inspection of Leased Premises

District or its duly authorized representatives or agents may enter upon said Leased Premises at any and all reasonable times during the term of this Agreement for the purpose and conditions hereof or for any other purpose incidental to the rights of the District.

22.6 Right to Modify

The parties hereto covenant and agree that, during the term hereof, Concessionaire will cooperate with the District in a reasonable and good faith manner to modify this Agreement upon advice of the District's legal counsel, in order to conform to judicial, Federal Trade Commission, or other applicable legal rulings or opinions. Except as otherwise specifically provided in this Agreement, this Agreement may not be modified except in writing and signed by both parties.

22.7 Warranty of Concessionaire as to Conflicts of Interest

Concessionaire represents and warrants to the District that no member, officer, employee, or agent of the District has any interest, direct, or indirect, in the business of Concessionaire to be conducted hereunder, and that no such person shall have any such interest at any time during the term hereof.

22.8 Notices

Notice to either party shall be sufficiently served if it is in writing and is physically delivered; sent by certified mail, postage prepaid; or sent by commercial carrier (Federal Express or equivalent) to such party at the address set forth on the first page of this Agreement, or to such other location as shall be provided by such party in writing from time to time. Service of any notice or demand by physical delivery or commercial carrier shall be deemed complete upon the date of delivery. Service of any notice or demand by certified mail shall be deemed complete at the expiration of three (3) days after the date of the certified mailing if mailed within the continental United States.

22.9 Regulation of the District

The rights and privileges granted to Concessionaire hereunder and the occupancy and use by Concessionaire of the Leased Premises shall at all times be subject to the reasonable rules and regulations of the District as the same are now or may hereafter be prescribed through the lawful exercise of its power. It is understood and agreed that such rules and regulations shall not increase any Concession fees or other fees required under this Agreement.

23. MISCELLANEOUS PROVISIONS

The section and paragraph headings herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of any provision

of this Agreement.

23.1 Estoppel; Franchise Comfort Letter

Within ten (10) days after written request from District, Concessionaire will execute an estoppel certificate, confirming (to the extent truthful) the terms of this Agreement, that this Agreement is still in force, that there have been no defaults, and such other matters as District or its lenders may request. Within thirty (30) days after the execution of this Agreement, Concessionaire will cause Franchisor to deliver a comfort letter to District, confirm that the Franchise Agreement is in full force, that Franchisor will give District notice of any default under the Franchise Agreement, and that Franchisor will not agree to amend the Franchise Agreement without District's consent.

23.2 Timing

Time is expressed to be of the essence in this Agreement.

23.3 Binding

This Agreement will inure to the benefit of and shall be binding upon the parties hereto and their authorized successors and assigns.

23.4 Choice of Law

This Agreement, its application and interpretation, and all rights and obligations of the parties hereunder shall be governed by and construed exclusively in accordance with the laws of the State of South Carolina, excluding any choice of law, which would apply the laws of another jurisdiction.

23.5 Dispute Resolution

In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof (collectively "Dispute"), the following shall apply:

23.5.1 Negotiations. The Parties will have individuals with authority to resolve the Dispute, negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. The individuals will meet in person or by video call one or more times as reasonably requested by either party.

23.5.2 Mediation. Any Dispute not resolved pursuant to the foregoing paragraph within a period of 30 days, then, upon notice by either party to the other, the parties agree to mediate the Dispute in good faith according to JAMS Commercial Mediation Procedures in Lexington County, South Carolina. The parties will work in good faith with the mediator to attempt to complete the mediation within 90 days of such notice. Fees for mediation shall be borne equally between the parties. Any party who initiates a legal proceeding over a Dispute before participating in the required mediation process shall be deemed to have irrevocably waived any right to be awarded or collect any attorney's fees in relation to such Dispute.

23.5.3 Jurisdiction. Any Disputes not resolved as set forth above shall be

exclusively resolved in the state or federal courts, as applicable, located in South Carolina. Each party consents to the exclusive jurisdiction of such courts and agrees not to bring any action under this Agreement except in South Carolina.

23.6 Entire Agreement

This Agreement and the exhibits attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and any other prior agreements, representations, or statements made with respect to such subject matter, whether verbal or written, are merged herein.

23.7 Cancellation

This Agreement is subject to cancellation by the District as allowed by law.

23.8 Severability

If any provision of this agreement is determined to be illegal or unenforceable, it shall not affect the enforceability of the remaining provisions of the agreement.

23.9 Taxes

Concessionaire shall pay before delinquency any and all taxes levied or assessed as the result of its conduct of business at the Airport under authority of this agreement, included but not limited to taxes related to sales, personal property, rights, or possession, leasehold interest, and rights or interests in real property, including any such taxes payable by the District. Nothing in this Section 23.8 shall restrict Concessionaire's right to dispute in good faith any such tax levies or assessments.

23.10 Counterparts

This Agreement may be executed in counterparts which, when combined, shall collectively constitute the entire agreement.

23.11 Force Majeure

Notwithstanding anything contained herein to the contrary, neither the District nor Concessionaire shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

23.12 Headings

The headings to the sections and subsections contained herein are for identification purposes only and are not to be construed as part of this Agreement.

23.13 Participation in Drafting

Each party participated in the drafting of this Agreement, and it should not be construed against either party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**RICHLAND-LEXINGTON AIRPORT
DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
CONCESSIONAIRE'S PROPOSAL

EXHIBIT B
TO LEASE AND CONCESSION AGREEMENT
CONCESSIONAIRE'S PRODUCT AND PRICE LIST AS PROPOSED AND ACCEPTED
BY THE DISTRICT

EXHIBIT C
TO LEASE AND CONCESSION AGREEMENT
PROHIBITED ITEMS

Concessionaire is prohibited from offering the following items in the Leased Premises:

1. Vending machines, except in specific locations in the Leased Premises as designated by the District;
2. Pay Phones;
3. Advertisements not pertaining to Concessionaire's operations in the Leased Premises;
4. ATM's;
5. Hotel, motel, or ground transportation reservation information;
6. Wi-Fi services; or
7. Any other item that the District shall determine is objectionable for sale or display in the Terminal.

EXHIBIT D
TO LEASE AND CONCESSION AGREEMENT
LEASED PREMISES

EXHIBIT E
TO LEASE AND CONCESSION AGREEMENT
INSURANCE REQUIREMENTS

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

I. INSURANCE REQUIRED

At all times during the Term of this Agreement (except as otherwise provided), Concessionaire shall obtain and maintain in full force and effect, with a Concessionaire or companies authorized to transact the business of insurance in the State of South Carolina, of sound and adequate financial responsibility, with a rating of at least B+, from A.M. Best Co., in Best's Rating Guide, selected by Concessionaire, and reasonably acceptable to the District, the following insurance (either as part of any other policy or policies carried by Concessionaire, or separately):

A. Builder's Risk Insurance

During any construction on the Leased Premises by Concessionaire (whether new construction or remodeling, renovation, restoration, or repair), Concessionaire shall keep, or cause the contractor performing such construction to keep, the improvements being built, remodeled, or restored, insured under builder's risk insurance (or similar insurance) in the amount of the cost of construction of the improvements.

B. Liability Insurance

A comprehensive insurance policy or policies providing for the protection of Concessionaire and the District as Landlord against:

- (1) General Liability, including all direct or contingent loss or liability for damages for bodily injury, personal injury, death, or damage to property, including loss of use thereof, occurring on or in any way related to the Leased Premises or occasioned by reason of occupancy by and the operations of Concessionaire or any sublessee, guest or invitee upon, in and around the Leased Premises including but not limited to any elevators and escalators therein and any sidewalks, streets, or public ways adjoining the Leased Premises, with limits of Five Million Dollars (\$5,000,000) combined single limit for bodily injury and property damage. Also, Concessionaire shall maintain legal liability coverage for property in the care, custody, and control of Concessionaire in an amount of not less than One Million Dollars (\$1,000,000). Concessionaire's aggregate

limit shall apply per project/per location. Concessionaire shall maintain said insurance with an underwriter authorized to do business in the State of South Carolina, satisfactory to District. All policies shall name District, its officials, commissioners, servants, agents, and employees as additional insured; and

- (2) Automobile Liability covering owned, non-owned, leased, and hired vehicles with combined single limits of no less than \$1,000,000 per occurrence.

C. Workers Compensation; Employers Liability

- (1) Workers compensation coverage and limits as statutorily required by the state of South Carolina and all other applicable states of operation.
- (2) Employers Liability limits of at least \$1,000,000 per accident.

II. DEDUCTIBLE AND SELF-INSURANCE RETENTION

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

III. MODIFICATION OF REQUIREMENTS

District may adjust or increase liability insurance amounts and requirements as the District deems reasonably necessary, or as may be required because of changes in the insurance requirements imposed by the District's insurer or by applicable law. Concessionaire shall comply with such adjustments or increases within such reasonable time period as requested by the District.

IV. CERTIFICATES

Upon or prior to the commencement of the Term of this Agreement and at least annually thereafter Concessionaire shall furnish to the District certificates of insurance showing the amount and type of the insurance then in effect that is required to be procured and maintained by it hereunder and stating the date and term of the policies. Concessionaire shall, upon request, supply the District with certified copies of all applicable insurance policies, riders, endorsements, and declaration pages. Certificates evidencing any renewal, replacement, or extension of any or all of the insurance required hereunder, shall be delivered by Concessionaire to the District not less than thirty (30) days prior to the expiration of any policy of insurance renewed, replaced, or extended by the insurance represented by any such certificate. Each policy of insurance required hereunder shall provide for not less than thirty (30) days' notice to the District and Concessionaire before such policy

V. ADDITIONAL INSURANCE

The provisions of this Agreement as to insurance required to be procured and maintained shall not limit or prohibit, or be construed as limiting or prohibiting, The District or Concessionaire from obtaining any other or greater insurance with respect to the Leased Premises or improvements thereon or the use and occupancy thereof that either or both of them may wish to carry, but in the event the District or Concessionaire, as the case may be, shall procure or maintain any such insurance not required by this Agreement, the cost thereof shall be at the expense of the party procuring or maintaining the same.

VI. ADDITIONAL INSUREDS

All commercial general and automobile liability required by this Exhibit shall be procured and maintained in the name of Concessionaire and shall add the District, its Commissioners, officers, employees, and agents as additional insureds as their interests appear. All policies required under this Exhibit for property and builder's risk insurance shall provide for payments of the losses to Concessionaire and the District as their respective interests may appear; provided that during the period of any construction, any builder's risk insurance carried pursuant hereto may provide for payment to the contractor, as its interest may appear.

VII. PRIMARY INSURANCE; CROSS LIABILITY; SEVERABILITY OF INTERESTS

All insurance policies required to be procured and maintained by Concessionaire, with the exception of Workers Compensation and Employers Liability shall provide or be endorsed to provide: (1) Concessionaire's insurance coverage shall be primary insurance with respect to the District and its Commissioners, officers, employees, and agents. Any insurance or self-insurance maintained by the District is excess of and non-contributing with Concessionaire's insurance. (2) Concessionaire's insurance coverage shall state that Concessionaire's insurance shall apply separately to each insured except with respect to the limits of the liability and shall contain no cross-liability exclusions.

VIII. USE OF PROCEEDS

Proceeds of any liability and property damage insurance required under this Exhibit shall be applied toward extinguishing, satisfying, or remedying the liability, loss, or damage with respect to which such proceeds may be paid.

IX. WAIVER OF SUBROGATION

All policies required under this Exhibit shall provide or be endorsed to provide that the insurer agrees to waive all rights of subrogation against the District and its Commissioners, officers, employees and agents.

X. INSURANCE BY THE DISTRICT

District may, upon written notice to Concessionaire, procure and maintain any or all of the insurance required of Concessionaire under this Exhibit. In such event, all costs of such insurance procured and maintained by the District on behalf of Concessionaire shall be the responsibility of Concessionaire and shall be fully reimbursed to the District within ten (10) business days after the District advises Concessionaire of the cost thereof.

EXHIBIT F

Not applicable

EXHIBIT G
IRREVOCABLE LETTER OF CREDIT

EXHIBIT H
MAINTENANCE OBLIGATIONS

Columbia Metropolitan Airport		
Concessionaire Agreement		
Schedule of O&M Responsibility		
<u>Description</u>		<u>Concessionaire</u> <u>Leased</u> <u>Premises</u>
HVAC		
Supply		District
Maintenance		District
Building Maintenance & Repair		
Structure/Roof		District
Exterior		District
Windows		District
Doors/Locks		Concessionaire
Interiors		
Preventive Maintenance		Concessionaire
Painting		Concessionaire
Floor Maintenance		Concessionaire
Janitorial		Concessionaire

Furniture Maintenance		Concessionaire
Plumbing		
Sewer Systems		Concessionaire
Drains and piping		Concessionaire
Equipment (Sinks, Ice Machines drink machines, etc.)		Concessionaire
Electrical		
Relamp & Ballast		Concessionaire
Ceiling Fixtures/Receptacles		Concessionaire
Miscellaneous		
Grease Traps		Concessionaire
Cooking Equipment		Concessionaire
Refrigeration Equipment		Concessionaire
Pest Control		Concessionaire
Trash Dumpster		District

EXHIBIT I
AIRPORT RULES AND REGULATIONS

<https://flycae.com/wp-content/uploads/2020/11/CAE-Airport-Rules-and-Regulations.pdf>



Airside Concession Unit
Food & Beverage

EXHIBIT 2

Airside Food & Beverage Concept

At CAE we seek to create a modern food and beverage destination, delivering a mix of desirable local or national/international restaurants, quick-serve kiosks, cafes and bars serving today's traveler's preferences. When it comes to each individual concept our focus is on the following elements:

- **Time is our Customers #1 Priority:** layout and simplicity for the customer's is a must, as is timely service
- **Catch the Eye:** beautiful food sells- quality, fresh, fast
- **Describe your Concept:** tell them what you've got - passengers may not know your product or how good you are
- **Win on customer experience:** Alongside quality of product, level of service is critically important.

Our research has identified some of the key categories and menu options that passengers are seeking greater choice in when traveling through the airport:

- Coffee shop/bakery
- Healthy options/dietary restrictions
- Hot breakfast- sit down and grab & go
- Café bar/sports bar
- Business Lounge feel for passengers with longer dwell time

BASIS OF PROPOSAL

You are invited to submit a proposal for the following unit

Airside Food & Beverage Unit

710 SF Seating

300 SF
Kitchen Area

Term (s):

Option A:
Five (5) Years

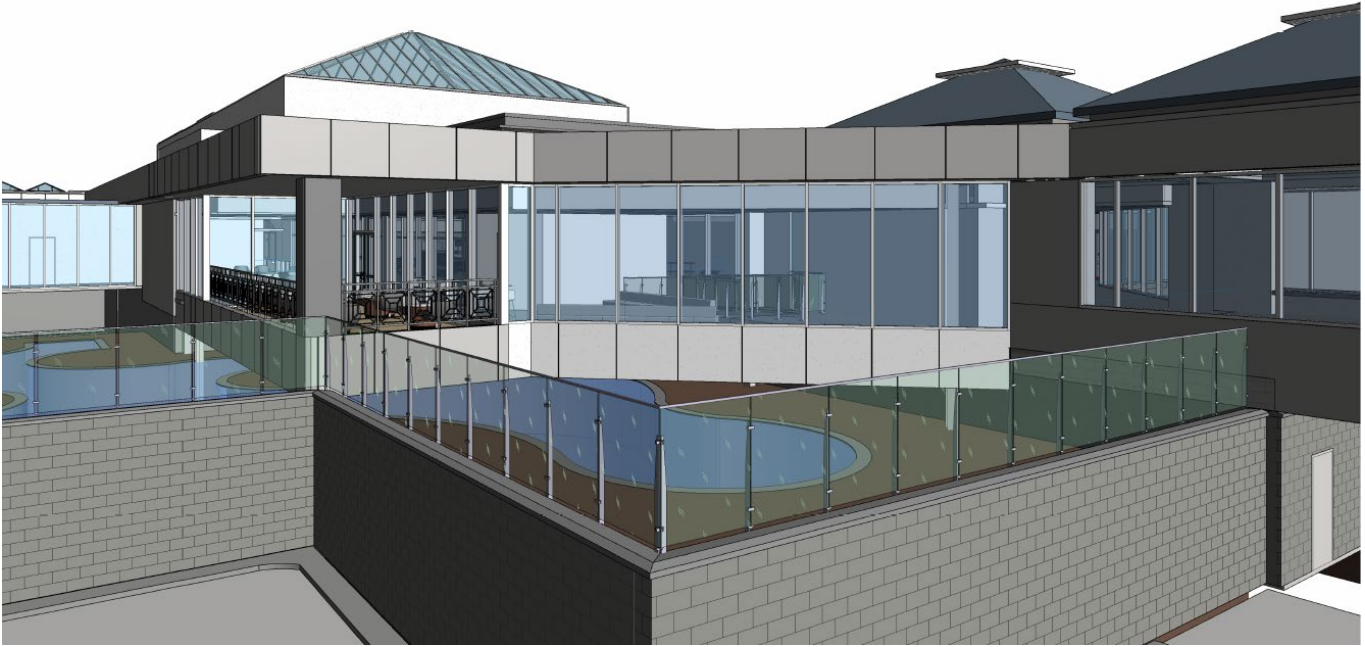
One (1) mutually
agreed upon two (2)
year option to
extend

Option B:
Ten (10) Years

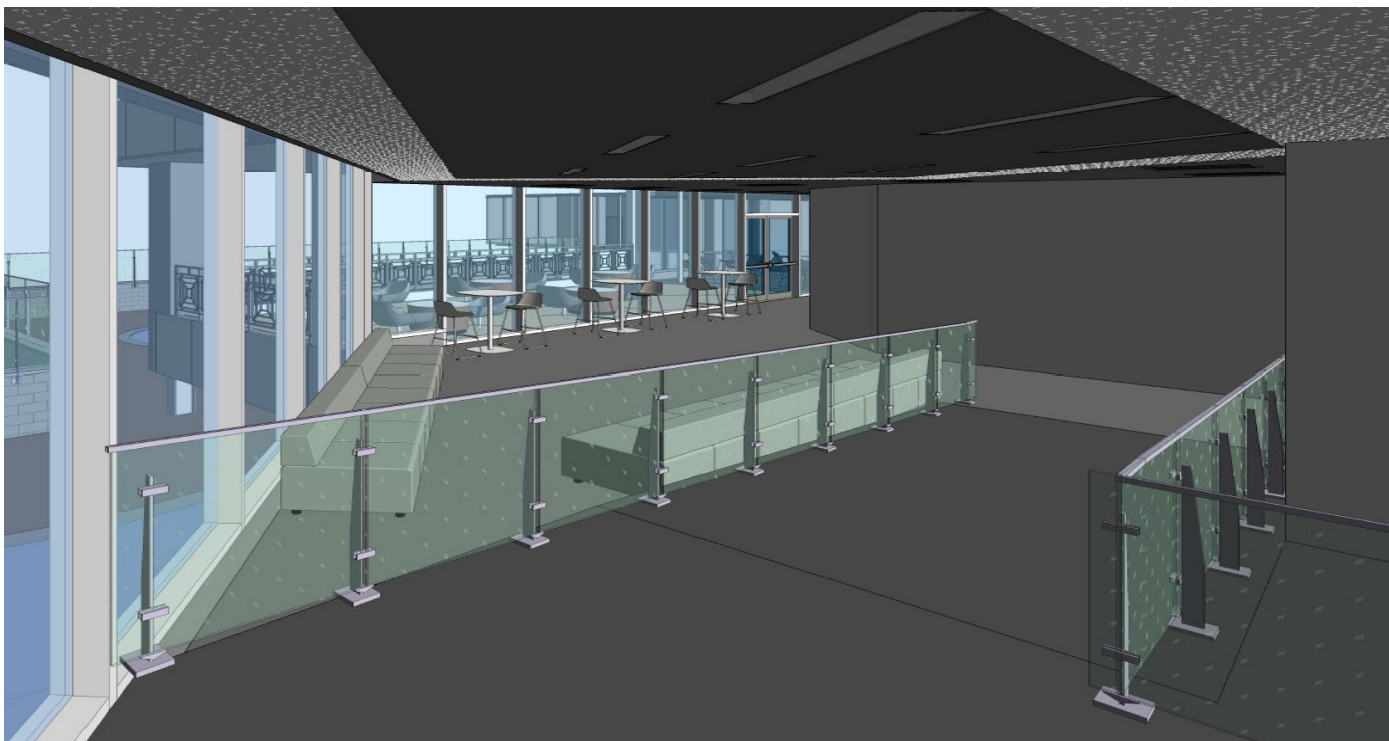
No options to
extend

Proposals with one and/or both term options may be submitted by respondents

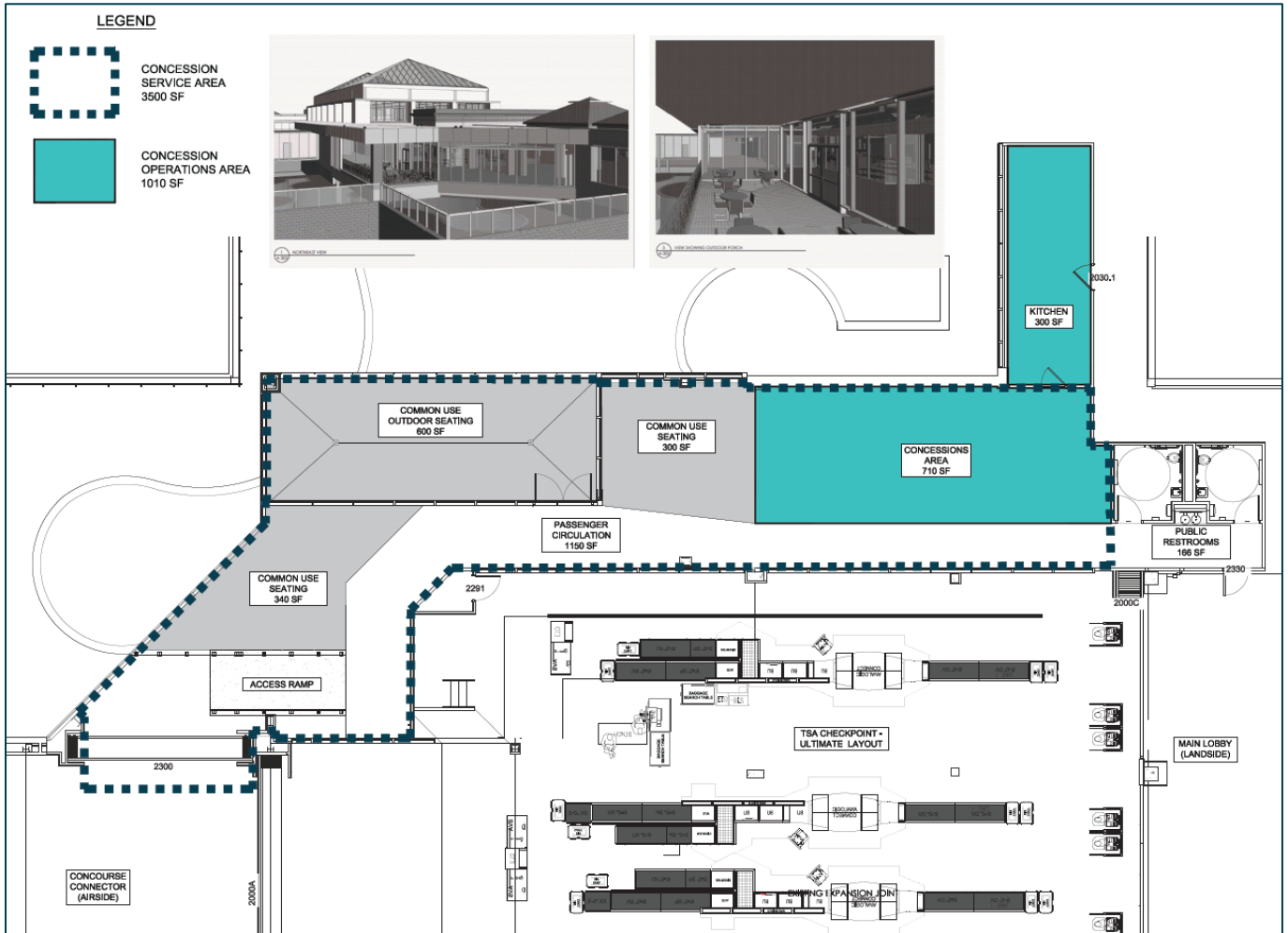
THE UNIT



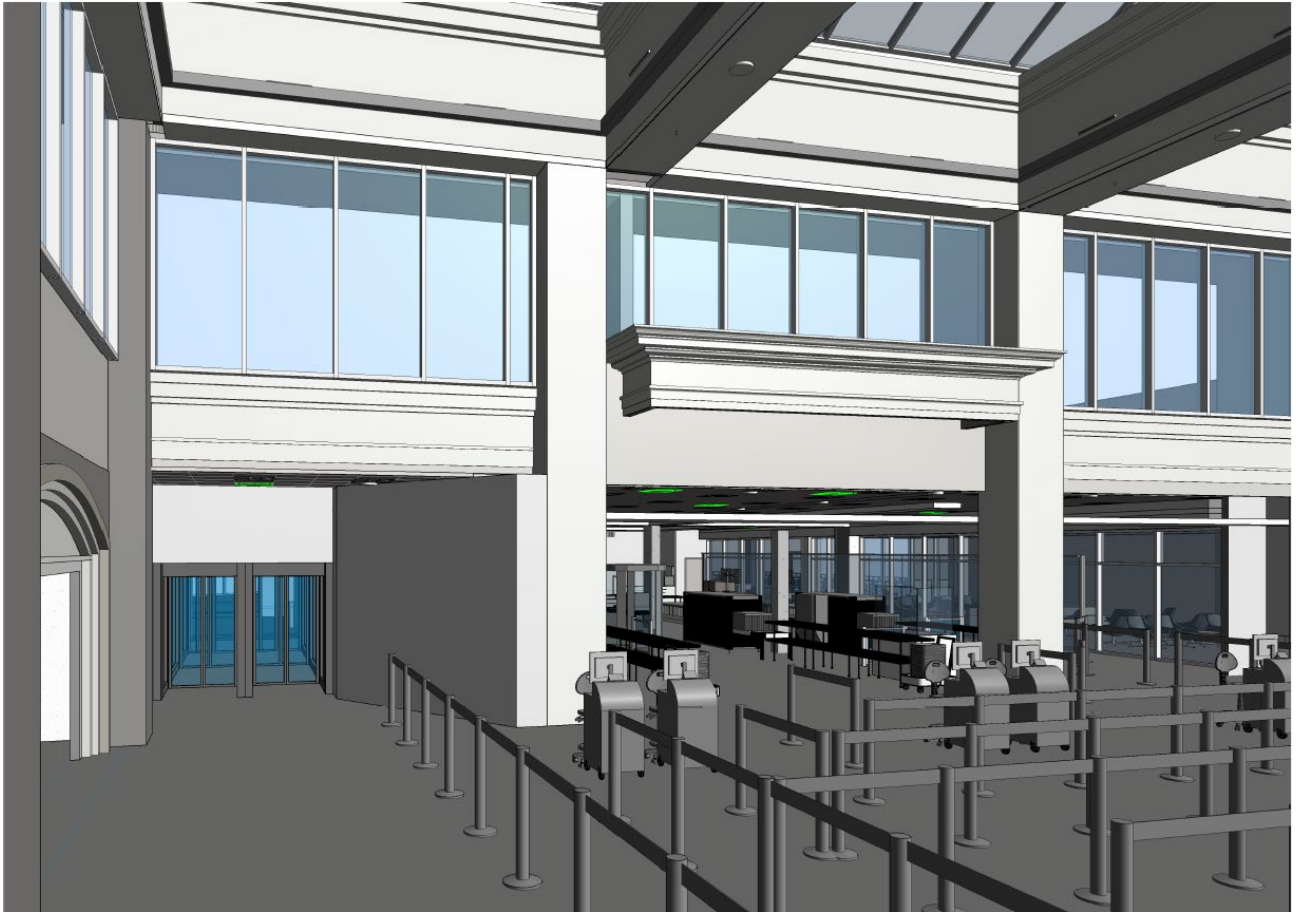
THE UNIT



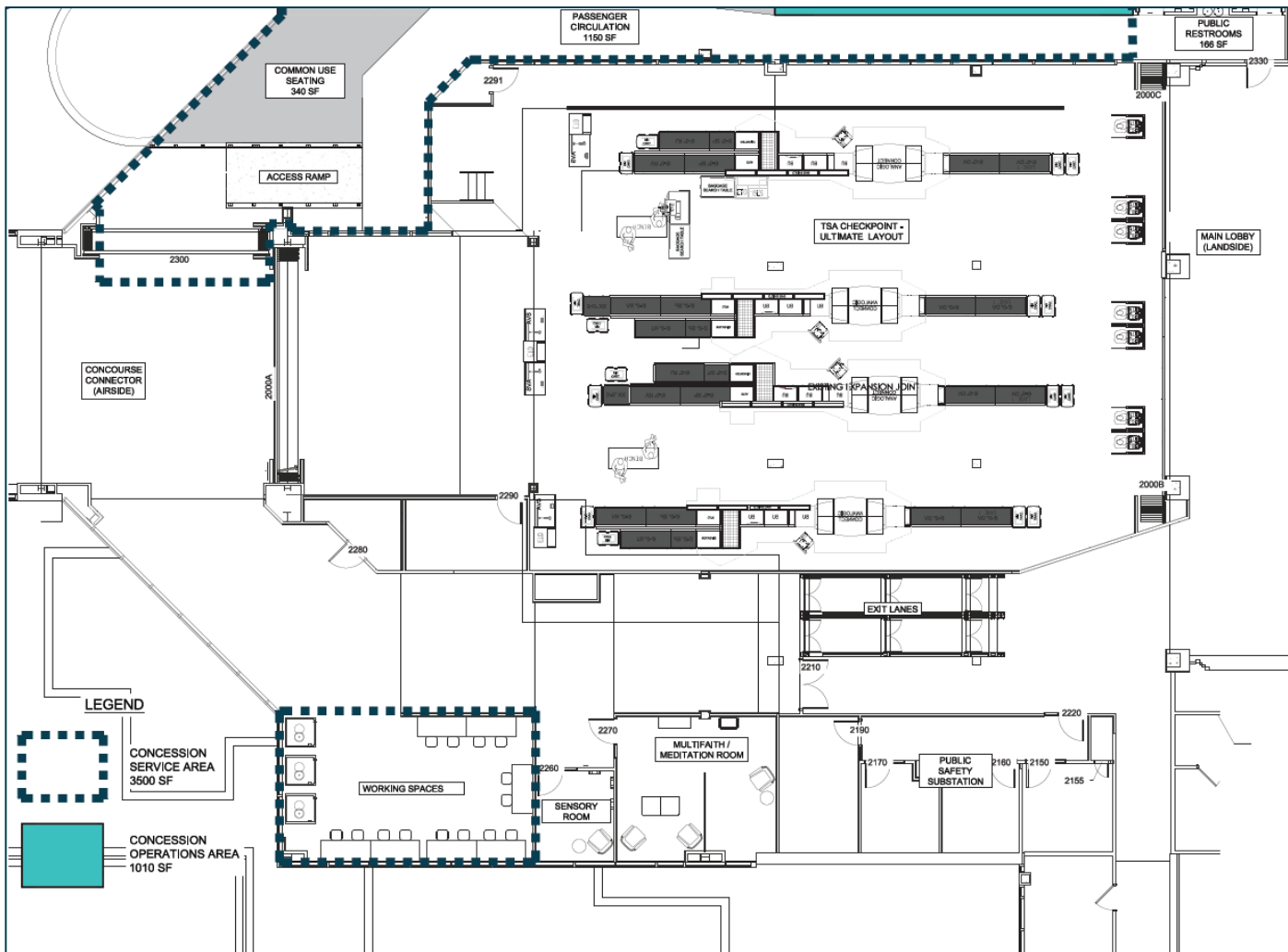
THE UNIT



CHECKPOINT EXPANSION



CHECKPOINT EXPANSION



Revamped Food, Beverage & Retail Offerings at CAE

CAE completed a multi-phased effort to revamp its food, beverage, and retail concessions throughout the terminal.

As part of the updates, Carolina Concessions, LLC, CAE's contracted food and beverage concessionaire, opened **Jimmy John's** and **Samuel Adams Brewhouse Columbia**, September 2023 in the former Carolina Subs and Riverbanks Bar & Grill locations.

Sunrise Café was converted into a **Dunkin'®**, December 2023– serving the chain's signature doughnuts, coffee and breakfast sandwiches.

The Friendly Caterer To-Go – a concept based on Carolina Concessions' sister catering business The Friendly Caterer that specializes in to-go family meals, opened February 2024 in the main lobby pre security.

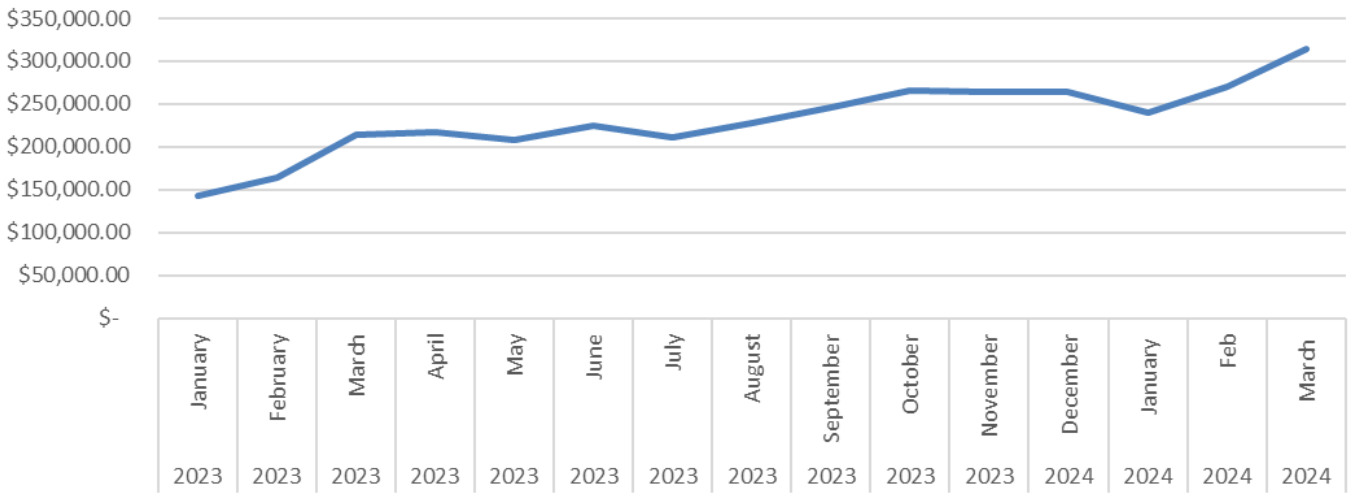
Paradies Lagardère, CAE's contracted retail provider, transited the Capital Marketplace to **Vista Trading**, December 2023 offering grab-n-go snacks and travel essentials. The Columbia Travelmart became **Explore Columbia**, March 2024 and include a local marketplace concept with products from Midland's area vendors. **The Three Rivers Collection**, Summer 2024 will be in the main lobby pre security and include a hybrid of travel essentials and branded "shop in shops" with Avanti Markets vending machine.

For more information about the updates taking place at CAE, please visit www.FlyCAE.com.

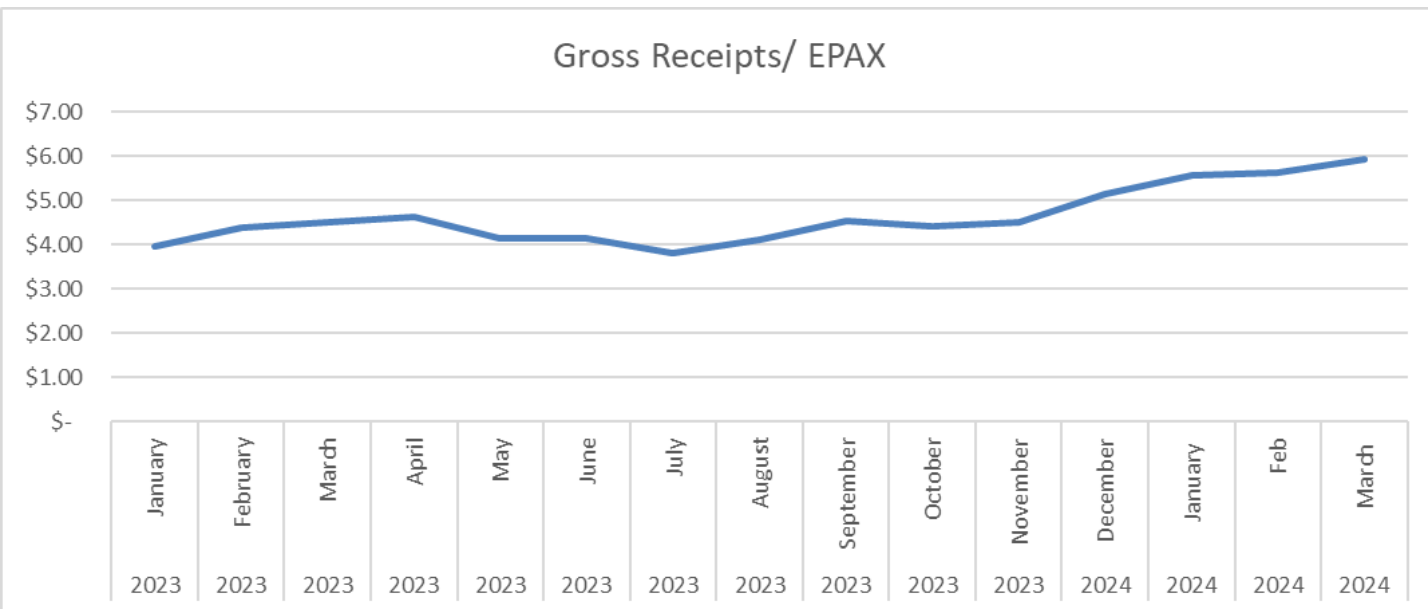


Food & Beverage Sales Report- Gross Receipts

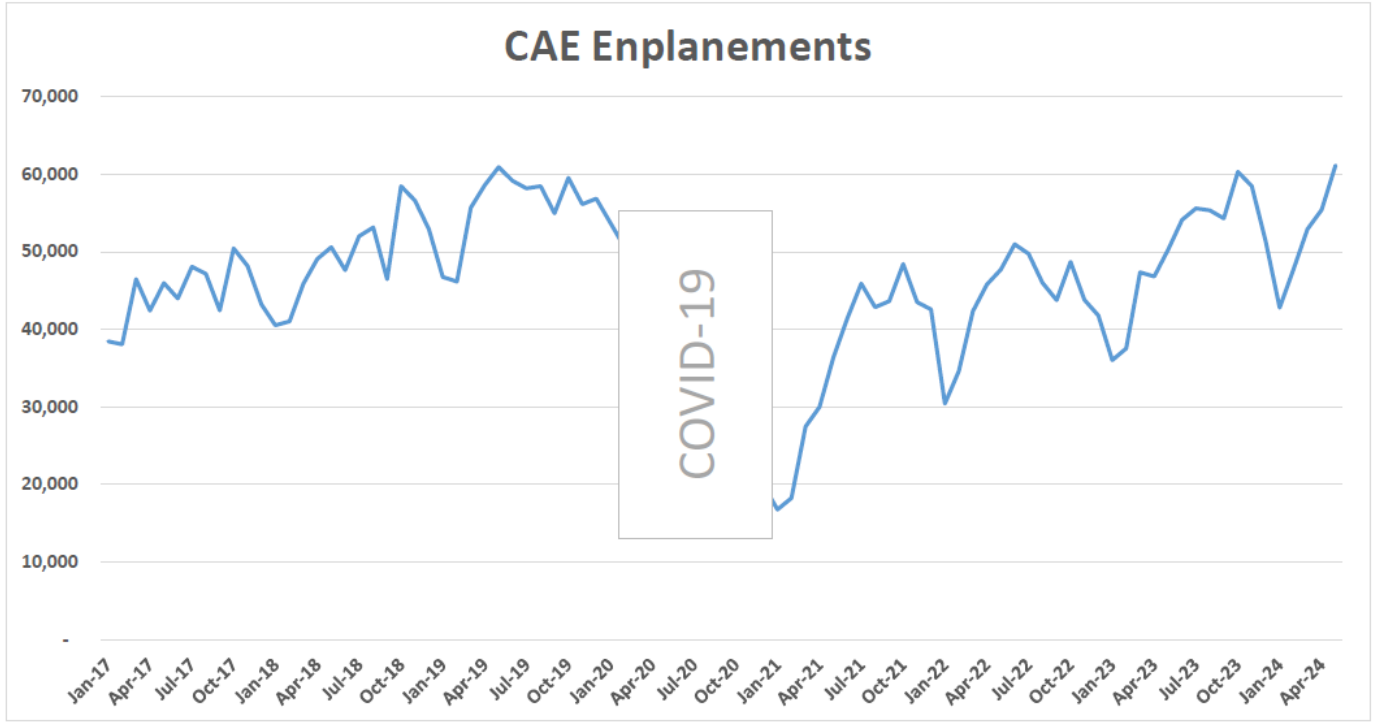
Gross Receipts



Food & Beverage Sales Report- Gross Receipts/EPAX



CAE Enplanements



2024 June Airline Schedule

<u>Date</u>	<u>First Out</u>	<u>First In</u>	<u>Last Out</u>	<u>Last In</u>	<u>Departing Seats</u>	<u>Arriving Seats</u>
1-JUN	0519	0842	1940	2357	1982	1975
2- JUN	0519	0842	1949	2357	2247	2247
3- JUN	0519	0842	1949	2357	2312	2312
4- JUN	0519	0842	1949	2357	2262	2262
5- JUN	0518	0831	2039	0002	2236	2236
6- JUN	0518	0831	2039	0002	2236	2236
7- JUN	0518	0831	2039	0002	2236	2247
8- JUN	0518	0831	2039	0002	1980	1986
9- JUN	0518	0831	2039	0002	2188	2171
10- JUN	0518	0831	2039	0002	2236	2236
11- JUN	0518	0831	2039	0002	2186	2186
12- JUN	0518	0831	2039	0002	2236	2236
13- JUN	0518	0831	2039	0002	2236	2236
14- JUN	0518	0838	2039	0002	2210	2221
15- JUN	0518	0831	2039	0002	1974	1980
16- JUN	0518	0831	2039	0002	2188	2171
17- JUN	0518	0831	2039	0002	2320	2320
18- JUN	0518	0831	2039	0002	2152	2152
19- JUN	0518	0831	2039	0002	2202	2202
20- JUN	0518	0831	2039	0002	2312	2312
21- JUN	0518	0831	2039	0002	2312	2323
22- JUN	0518	0831	2039	0002	1957	1963
23- JUN	0518	0831	2039	0002	2264	2247
24- JUN	0518	0831	2039	0002	2346	2346
25- JUN	0518	0831	2039	0002	2152	2152
26- JUN	0518	0831	2039	0002	2202	2202
27- JUN	0518	0831	2039	0002	2306	2306
28- JUN	0518	0831	2039	0002	2306	2317
29- JUN	0518	0831	2039	2359	1935	1941
30- JUN	0518	0831	2039	2359	2056	2039

Unit Buildout

- A large portion of the renovated area (Access, Lounge, Patio and new Restrooms) will remain common use space for all passengers and was funded by FAA grant.
- The concessionaire can serve beyond the lease space, but the outdoor seating/restrooms/access and the window seating will be available to the public, and not limited to food and beverage customers.
- The kitchen area, and a portion of the space that will directly serve the airside food and beverage unit (former Sky Bar & Cafe space) will be upgraded by the concessionaire. The former concept lease space has been cleaned out for the Checkpoint expansion project and will be left in a shell condition for the new concessionaire to buildout
- Unit handover to concessionaire for buildout: Early Q2-2025

NOTICE

Richland-Lexington Airport District ACDBE Goal for Non-Car Rental Fiscal Years 2022-2024

Notice is hereby given that the Richland-Lexington Airport District (RLAD) has set its Airport Disadvantaged Business Enterprise (ACDBE) goal for programs utilizing the Federal Aviation Administration's funds. The ACDBE Non-Car Rental goal is **11.37%**. The goal may be met by using any ACDBE firm certified by the South Carolina Department of Transportation.

The goal was developed in accordance with the process described in the US DOT's CFR Part 23 dated March 1, 2006 and the RLAD's DBE program. A description of how the goal was developed is available for public inspection between the hours of 9:00 a.m. and 3:00 p.m. (EST), Monday through Friday at the address listed below. Public comments regarding RLAD's ACDBE goal will be accepted for thirty (30) days from the date of this notice. Please email comments to:

Gregg Hornsby
DBE Liaison Officer
Columbia Metropolitan Airport
3250 Airport Blvd, Ste. 10
West Columbia, SC 29170

Email address: g.hornsby@flycae.com

3250 Airport Boulevard
West Columbia, SC, 29170
803-822-5000