

**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**

FAIRBANKS INTERNATIONAL AIRPORT

**FOOD & BEVERAGE AND RETAIL
CONCESSION AGREEMENT ADA-90759**

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**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**

**FAIRBANKS INTERNATIONAL AIRPORT
FOOD & BEVERAGE AND RETAIL
CONCESSION AGREEMENT ADA-90759**

THIS AGREEMENT is made this @ day of @, 201@, between the State of Alaska, Department of Transportation and Public Facilities, Fairbanks International Airport (State), whose address is 6450 Airport Way, Suite 1, Fairbanks, Alaska 99709, and @ (Concessionaire) whose address is @, @.

In consideration of the Facilities and of the charges, fees, covenants, rights and obligations contained herein, the parties agree to all conditions as follows:

INTRODUCTION

A. The State owns and operates the Fairbanks International Airport (Airport), located in Fairbanks, Alaska.

B. The State has determined it is necessary in the promotion and accommodation of air commerce and air transportation that the State develop and maintain a comprehensive food and beverage and retail concession program for the Airport that will benefit air travelers and others.

C. The State has determined that it is in its best interest to offer the non-exclusive right to sell and deliver food and beverages and related merchandise in the Terminal at Fairbanks International Airport.

D. For the benefit of air travelers and others, and to generate revenue to the State to support the Airport, the State makes Terminal space available for the sale of Food and Beverages and related merchandise.

E. The Concessionaire hereby represents and warrants that it is able to provide the food & beverage and retail concepts, facilities and services to the State and is authorized by federal, state and/or local laws, codes and regulations, as applicable, to provide such services at the Airport.

ARTICLE I: DEFINITIONS

The following definitions apply for this Agreement:

1. Agreement: This Concession Agreement ADA-90759, together with and incorporating the exhibits, the Request for Proposals (RFP), all documents

submitted by the Concessionaire in connection with the RFP, including the Concessionaire's proposal in response to the RFP, as finally accepted by the State, and all other attachments and exhibits thereto, the responses to the Specific Evaluation Criteria, all other documentation required in the RFP, and all information submitted by the Concessionaire with its proposal, plus all future amendments or supplements executed by the parties to this Agreement.

2. Agreement Year: This Agreement includes the following seven (7) Agreement Years (Base Term):

- 1 December 1, 2014, through November 30, 2015
- 2 December 1, 2015, through November 30, 2016
- 3 December 1, 2016, through November 30, 2017
- 4 December 1, 2017, through November 30, 2018
- 5 December 1, 2018, through November 30, 2019
- 6 December 1, 2019, through November 30, 2020
- 7 December 1, 2020, through November 30, 2021

and, if a Term Extension is exercised, three additional Agreement Years as follows:

- 8 December 1, 2021, through November 30, 2022
- 9 December 1, 2022, through November 30, 2023
- 10 December 1, 2023, through November 30, 2024

3. Airport: The real property and facilities of the Fairbanks International Airport, Fairbanks, Alaska, as they exist on the execution date of this Agreement, together with any future changes. The real property and facilities of the Fairbanks International Airport are shown on Exhibit B (Airport Boundary Map), dated June, 2014, attached hereto and made a part of this Agreement.
4. Airport Concessionaire Disadvantaged Business Enterprise (ACDBE): A business certified by the State of Alaska, Department of Transportation and Public Facilities as a disadvantaged business enterprise as defined in 49 CFR, Part 23 or 26, or in related guidance published by the U.S. Department of Transportation or Federal Aviation Administration.
5. Airport Manager: The State's designated manager at Fairbanks International Airport acting directly or through a duly authorized representative.
6. Annual Guarantee: The minimum amount the Concessionaire must pay to the State each year in accordance with Article VI (Fees and Payments).
7. Base Term: The first seven (7) Agreement Years of this Agreement.

8. Certified Activity Report: A report that the Concessionaire must submit to the State to report Gross Sales and other information and that is certified on behalf of the Concessionaire to be complete and accurate. A sample format is shown in Exhibit C (Certified Activity Report).
9. Concessionaire: The successful proposer for the Request for Proposals for this Food and Beverage Concession Agreement ADA-90759, who enters into this Agreement.
10. Concessionaire Improvements: Collectively, all items located on and within the Premises including Concessionaire construction, furniture, fixtures and equipment. This includes items such as decorations, partitions, wiring, lighting, plumbing fixtures, stoves, refrigeration, HVAC, piping, finished ceilings, ventilation, ductwork, grills, floor and wall coverings, heaters, cabinets, merchandise and product display fixtures, lockers, and any other such equipment.
11. Effective Date: The date this Agreement is signed by the State.
12. Facility Opening Date: The earlier of the date a Food & Beverage and Retail Facility is officially open for business or is required to be open for business.
13. Food & Beverage and Retail Facility: A store or other facility on Premises designated by the State for the sale of food, beverages, and merchandise approved by the State, including associated Premises for on-site consumption of food and beverages.
14. Gross Revenues: All revenue, income and receipts of the Concessionaire, on an accrual basis, owed to or received by the Concessionaire from sales or other business at, from or related to the Airport.

1. The term "Gross Revenues" includes the following:

- a. All Concessionaire sales for either cash or credit, which is collected or should have been collected, without any exclusions except those expressly permitted under this Agreement from any business conducted in whole or in part on the Airport, including any orders placed at, or completed by delivery anywhere on the Airport, or through any delivery service under the rights granted under this Agreement.
- b. Charges for all services performed in, on, or through the business, including electronic commerce, authorized or otherwise conducted under this Agreement. This includes all other income and proceeds from or incidental to any business conducted in whole or in part in, on, or in connection with the rights granted under this Agreement.

- c. Goods, work, or services furnished by any person in lieu of payment in exchange for value received from the Concessionaire in connection with business or operations at or from the Airport.
 - d. Monies or the value of discounts received by the Concessionaire from vendors or suppliers in exchange for any promotions, sponsorships or displays that are directly attributed to the utilization of the Food and Beverage and Retail Facility.
2. But, notwithstanding the foregoing, the term Gross Revenues excludes the following:
- a. The difference between the marked sales price and the actual sale price for discount sales.
 - b. The amount of any sales tax, so-called "luxury tax," consumer excise tax, gross receipts tax, or other similar tax imposed by a federal, state, municipal, or other government authority directly on any business conducted in whole or in part in, on, or in connection with the rights granted under this Agreement. The Concessionaire will properly account and record all taxes, if applicable.
 - c. Receipts from the sale of waste or scrap material that result from the Concessionaire's business authorized under this Agreement.
 - d. Receipts from the sale or trade-in value of Concessionaire owned furniture, fixtures, or equipment used on the Premises and not considered stock-in-trade.
 - e. The value of merchandise, supplies or equipment exchanged with or transferred to other business locations of the Concessionaire if the exchange or transfer is not made to avoid a sale by the Concessionaire under this Agreement.
 - f. Receipts from refunds of merchandise, supplies or equipment returned to shippers, suppliers, or manufacturers or discounts the Concessionaire receives from these entities.
 - g. Receipts from the sale of uniforms or clothing to the Concessionaire's employees if sold at cost and the Concessionaire requires its employees to wear these items.
3. However in calculating Gross Revenues, the Concessionaire shall not deduct any franchise, capital stock, income, or similar tax based on income or profits. The State will not credit or reduce the amount of the Concessionaire's Gross

Revenues that result from any illegal rebate, kickback, or hidden credit given or allowed to clients.

15. Percentage Fee: The percentage of Gross Revenues the Concessionaire is required to pay to the State in accordance with Article VI (Fees and Payments) beginning with the Facility Opening Date.
16. Premises: The Premises consist of the location indicated on Exhibit A, Food and Beverage and Retail Concession, Page 1 of 2, and Page 2 of 2, respectively, of this Agreement.
17. Support Space: Premises provided for use by the Concessionaire for office, storage, preparation facilities, or other purposes other than sale of merchandise or food and beverages. (See Exhibit A, Page 1 of 2).
18. Term Extension: One (1) three (3) year option to extend after "Base Term" the State may exercise, subject to prior FAA approval.
19. Terminal: The passenger terminal building at the Airport as shown on Exhibit B.
20. Turnover Date: The date a space is turned over by the State to the Concessionaire for commencement of Concessionaire Improvements.

ARTICLE II

SCOPE OF AGREEMENT

The Concessionaire must perform all obligations, conduct all activities, and comply with all promises and representations in their entirety, including any refinement submitted in response to the State's solicitation of competitive proposals for the rights granted under this Agreement, as defined herein, as the Concessionaire's proposal is finally accepted by the State.

ARTICLE III

TERM

A. This Agreement is binding on the date it is signed on behalf of the State. The State grants the Concessionaire the rights listed in Article IV (Rights Granted and Obligations Undertaken) beginning December 1, 2014, and ending November 30, 2021 (the "Base Term"), with an additional one (1) three (3) year option for extension (the "Term Extension") the State may exercise, contingent on prior FAA approval.

In order to avoid an interruption of service to the public or revenues to the State, and to facilitate fair and orderly selection of, and transition to, any successor Concessionaire, the State may by written notice to the Concessionaire not less than sixty (60) days before the end of the Base Term or extended Agreement term, as applicable, require the Concessionaire to continue beyond the end of the term to operate and manage this

concession as set forth in this Agreement. The extension period, which shall be determined by the State, shall not exceed one (1) year from the expiration date of the Base Term or extended Agreement term, as applicable.

ARTICLE IV

RIGHTS GRANTED AND OBLIGATIONS UNDERTAKEN

The State grants the Concessionaire the authority to exercise the following rights subject to the obligations under this Agreement:

A. The Concessionaire shall have the non-exclusive right and obligation to develop, implement, and maintain a Food & Beverage and Retail Program, integrated and coordinated with the State as to design, quality, and content. Under this program, the Concessionaire shall establish, operate, service and maintain a high quality, professionally designed Food & Beverage and Retail Facility.

B. The Concessionaire shall have the non-exclusive right to sell food and beverage items and State-approved Concessionaire branded merchandise items in the Upper Level of the Terminal and the non-exclusive right to sell food and beverage items and State-approved Concessionaire branded merchandise and the non-exclusive right to sell gift and news items in the Lower Level of the Terminal. All merchandise for the specified concept must be approved by the State in writing.

C. The Concessionaire shall have the right to occupy the Premises for purposes of conducting business under this Agreement. The Concessionaire, its officers, contractors, suppliers, service personnel, guests, patrons, and invitees shall have the right to enter, exit, and occupy the Premises to the extent authorized under and subject to the Airport's security rules and any rules or directives by the U.S. Department of Homeland Security, Transportation Security Administration (TSA) or the Federal Security Director for the Airport.

D. The Concessionaire shall have the right to construct and install on the Premises fixtures, equipment, and other improvements necessary to operate the business authorized under this Agreement subject to compliance with the terms and conditions of an approved Airport Building Permit for each project as required under 17 AAC 42.280.

E. The Concessionaire shall have the right to subcontract or joint venture or similar relationship with a third party for operation of some or all facilities, subject to prior written consent by the State. Such subcontract or joint venture agreement must require, at a minimum, strict compliance with the provisions of this Agreement including, but not limited to, insurance and indemnification requirements and naming the State as an additional insured. The Concessionaire agrees that it is responsible for the performance of its subcontractors and joint venture partners under this Agreement. The Concessionaire agrees to initiate and take all corrective action should a subcontractor or joint venture partner fail to comply with its contract with the Concessionaire or any provision of this Agreement. The failure of a subcontractor or joint venture partner to

comply with the provisions of this Agreement shall constitute a default by the Concessionaire under this Agreement, entitling the State to terminate this Agreement in accordance with the provisions herein.

F. Although these rights and obligations will not diminish during the term of this Agreement, the specific areas in which the Concessionaire is authorized to exercise the rights may, in the State's sole discretion, diminish or expand as provided for in this Agreement.

G. Reservations:

1. The rights granted in this Article do not include the right to:

- a. Sell any food, beverage, or merchandise not included on the approved list for the Food & Beverage and Retail Facility as described in Exhibit E or as otherwise approved in writing by the State.
- b. Exchange foreign currency except as needed to make change in sales transactions.
- c. Operate any systems using the Airport's wireless technology, without the express written consent of the State, or any system that infringes on the Airport's wireless technology.
- d. Vend on the Premises.

2. The Concessionaire may not sell any product or service that is not described in this Agreement without the advance written consent of the State. If a question or dispute arises as to the sale of any specific item or category of item, the Concessionaire may submit a written request to the State asking for a review and decision concerning the dispute. The State will deliver a written decision to the Concessionaire and the decision of the State will be final.

3. The State reserves the right to grant to others any rights or privileges not specifically and exclusively granted the Concessionaire. The rights and privileges granted to the Concessionaire under this Agreement are the only rights and privileges granted to the Concessionaire. The Concessionaire has no easements, rights, or privileges, express or implied, other than those specifically granted under this Agreement.

4. This Agreement does not grant the Concessionaire the right to provide or perform any business or commercial activity at the Airport other than as expressly stated in this Agreement, nor does it grant the Concessionaire the right to use the trademarks, symbols, trade names or name of the State or of the Airport, either directly or indirectly, in connection with any production, promotion service or publication without the prior written discretionary consent of the State.

H. Unless otherwise provided in this Agreement, upon the expiration, termination, or cancellation of this Agreement, Concessionaire is bound to mitigate damages, to continue to pay rent and to abide by all Agreement obligations, including maintenance obligations and provision of evidence of insurance coverage, through the date on which the Concessionaire relinquishes possession of and completely vacates the Airport as provided generally under 17 AAC 42.250, as applicable, and the locations subject to this Agreement left in a neat and clean physical condition acceptable to the State.

ARTICLE V PREMISES

A. The State will make the Premises available to the Concessionaire on September 19, 2014 (Turnover Date). The Concessionaire accepts the Premises in their then-present condition and "as is." The Concessionaire acknowledges that the State's obligation is limited to making the Premises available to the Concessionaire for its use, and that the State makes no representation that they are suitable for the Concessionaire's requirements herein.

B. Subject to the provisions of Article XIII (Reduction of Space) and Article XIV (State-Directed Relocation), the Premises designated in Exhibit A, page 1 of 2, and page 2 of 2 shall remain the same throughout the term of the Agreement, subject to the rights reserved to the State in this Agreement related to Premises relocation, reduction and expansion.

C. The State has installed a Premises Wiring Distribution System (PWDS) in the Terminal, which provides a Structured Telecommunication System with a fiber optic backbone throughout the Airport. The Concessionaire is required to use the PWDS for its data and telecommunication needs wherever the PWDS exists on the Effective Date of this Agreement or is installed in the future. For new build-out, the Concessionaire will not install wiring for any function that can be served by the PWDS.

ARTICLE VI FEES AND PAYMENTS

A. Concession and Rent Fees: The Concession and Rent Fees are made up of three (3) components:

- 1) Annual Guarantee;
- 2) Percentage Fees; and
- 3) Additional Rent

For the rights and privileges granted under the Agreement, the Concessionaire shall pay the State each month the GREATER of the monthly Annual Guarantee or a percentage of the Concessionaire's monthly gross revenues as described below. The Concessionaire shall also pay Additional Rent as described below.

1. Annual Guarantee:

a. The State has agreed to an Annual Guarantee of \$115,762.00 for the first year of the Agreement. After the first year of the Agreement, the Annual Guarantee will be adjusted each Agreement year to 85% of the prior Agreement Year's payments that would have been due the State if no Annual Guarantee existed (i.e., 85% of percentage fee payments for the prior year whether or not those payments had actually been made), but in no event shall the Annual Guarantee be less than \$115,762.00.

b. The starting date for payment of the Annual Guarantee for the Food and Beverage Facility shall be the earlier of the Facility Opening Date or December 1, 2014.

OR

2. Percentage Fees: Beginning with the earlier of the Facility Opening Date or December 1, 2014, the monthly Percentage Fees shall be calculated by multiplying the percentages listed below by the Gross Sales for each category of sales for the applicable month.

<u>Items</u>	<u>Gross Revenues</u>	<u>Percentage Fee</u>
Food/Non-alcoholic Beverages	Up to 500,000	16%
	500,001-750,000	14%
	750,001 and up	12%
Alcoholic Beverages/Coffee	Up to 500,000	18%
	500,001-750,000	16%
	750,001 and up	14%
Merchandise (upon Airport approval)	Up to 25,000	18%
	25,001-50,000	16%
	50,001 and up	14%
Convenience Snack Products (Pre-packaged foods & bottled or canned beverages)	50% of gross revenues derived from Convenience Snacks	

3. Additional Rent: In addition to paying the greater of the Annual Guarantee or Percentage Fees specified above, the Concessionaire shall also pay monthly the Ancillary Terminal Rent rate for Concessionaire Support Space occupied each month at \$25 per square foot per year. Support Space includes office, storage, and other Premises occupied by the Concessionaire for purposes other than Food & Beverage and Retail Facilities.

B. Payments to the State: On or before the twentieth (20th) of each month during this Agreement, beginning the month following the earlier of December 1, 2014 or the Facility Opening Date, the Concessionaire will pay the State the greater of the Annual Guarantee or the Percentage Fees for the preceding month as defined in Section A above.

C. The Concessionaire shall make all payments required under this Agreement in United States currency either in cash or by check, bank draft, money order or electronic funds transfer (EFT) payable to the State of Alaska for rents, charges, fees or other consideration or liquidated damages payable to the State of Alaska and deliver them to Airport Accounting, Fairbanks International Airport, 6450 Airport Way, Suite 1, Fairbanks, Alaska, 99709, or any other address that the State may designate in writing. Concessionaire shall make its payments free from any claim, demand, setoff, or counterclaim of any kind against the State.

D. Certified Activity Reports

1. On or before the twentieth (20th) of each month during this Agreement, beginning the month following the earlier of December 1, 2014, or the Facility Opening Date, the Concessionaire shall deliver to Airport Accounting a Certified Activity Report from the Concessionaire.

2. The Concessionaire shall submit the Certified Activity Report in a format acceptable to the State, which may include an electronic file in current Microsoft Excel for Windows or other electronic file acceptable to the State. The Certified Activity Report must reflect the Concessionaire's Gross Sales for the previous calendar month in terms of United States of America currency. A sample format is shown in Exhibit C (Certified Activity Report). Each Certified Activity Report must separately itemize the following, as applicable.

Food and Non-alcoholic Beverages in the Terminal by location:

- (1) Lower Level Concession Space;
- (2) Upper Level Concession Space; and
- (3) Cocktail lounge;

Alcoholic Beverages/Coffee in the Terminal by location:

- (1) Lower Level Concession Space;
- (2) Upper Level Concession Space; and
- (3) Cocktail lounge;

Merchandise (upon Airport approval) in the Terminal by location:

- (1) Lower Level Concession Space;
- (2) Upper Level Concession Space; and
- (3) Cocktail lounge

Convenience Snacks and Bottled or Canned Beverages (upon Airport approval): Lower Level Concession Space.

3. If the Concessionaire fails to submit to the State the Certified Activity Reports with payment as required by the due date stated in this section, the Concessionaire shall pay, in addition to interest on all unpaid fees payable with that report, a late fee of \$30.00 for the first day late and \$15.00 per day thereafter for each report until the report is received. The fee will be assessed beginning the day after the report is due and will include the day it is received. If the due date falls on a weekend or a date the State's offices are closed due to a holiday, the Concessionaire shall submit the report, and payment if applicable, by the end of the first work day following the weekend or holiday. The Concessionaire and the State stipulate that any late fee under this Section shall not be construed as a penalty; rather, the Concessionaire and the State stipulate that the administrative costs required for monitoring and enforcing the prompt submission of an overdue Certified Activity Report would be difficult and not cost-effective to measure and ascertain and the late fee may, at the option of the State, be stated as "liquidated damages."

4. Waiver of Annual Guarantee. The State will waive the Annual Guarantee payable under this Agreement if any of the following events occur:

- a. Loss of the Concessionaire's rights granted under this Agreement unless the loss is the fault of the Concessionaire. This waiver is in effect from the first day of any such loss and will continue until the Concessionaire regains its rights.
- b. Any event, not the fault of the Concessionaire, that so damages the Terminal that the normal operation of the Concessionaire's business is prevented for more than thirty (30) consecutive days. If the normal operation of the Concessionaire's business is prevented for more than thirty (30) consecutive days, this waiver is in effect from the first day of the event and will continue until normal operations can resume.
- c. Complete Airport closure to the commercial air transport of passengers for more than thirty (30) consecutive days. If complete Airport closure exceeds thirty (30) consecutive days, this waiver is in effect from the first day of the event and will continue until the Airport is reopened to the commercial air transport of passengers.
- d. A twenty-five percent (25%) or greater drop in total deplaned, enplaned and in-transit passengers at the Terminal for any month during this Agreement as compared to the average for the same month of the three previous years, AND a corresponding twenty-five percent (25%) or greater drop in total Gross Sales related to the Concessionaire's activities under this Agreement for any month during this Agreement as compared to the average Gross Sales for the concession for the same month of the three

previous years. This waiver applies only to any month in which twenty-five percent (25%) or greater drop occurs in BOTH the total passengers at the Terminal AND the Gross Sales for the concession.

- e. The Concessionaire will pay the State the Percentage Fee described in Section A (Concession and Rent Fees) of this Article for any period the Annual Guarantee is waived.

5. In its discretion, the State will either credit any overpayment resulting from a waiver specified in Paragraph 4 of this Section toward future payments due the State or refund the overpayment to the Concessionaire. The State will either apply the credit or issue a refund within sixty (60) days after the State receives the required Gross Sales information from the Concessionaire.

6. Any amendment to a previously submitted CAR must be filed in a format prescribed by the State, accurately restate all information on the previously submitted report, and specifically identify each item that has been amended. For any activity reported on the amended CAR for which Concessionaire has not made all required payment, Concessionaire must submit payment in the manner described in Section D.2 of this Article on the same day Concessionaire submits the amended CAR. Any material amendment, as defined below, to a previously submitted CAR will invalidate any timely submittal of an original CAR; if the amended CAR is submitted after the deadline for that CAR, then the late fee described in the Section D.3 of this Article will apply from the deadline date to the date the State receives the amended CAR. Any amendment to a previously submitted CAR that results in a change of five percent (5%) or more in total charges payable from total charges payable under the originally submitted CAR is considered a "material amendment."

D. Fees Vest in the State: Fees payable to the State by the Concessionaire under this Agreement shall be owned by the State at the time of each customer transaction and will be held in trust by the Concessionaire while the funds are in Concessionaire's custody and control. The Concessionaire is responsible for these fees until delivered to the State. If any fees payable to the State are lost, stolen, or otherwise unlawfully removed from the custody and control of the Concessionaire, the Concessionaire remains responsible to the State for the fees.

E. Liquidated Damages:

1. Time is of the essence in meeting the requirements of all Articles of this Agreement. Without waiving any of its other legal or equitable remedies, the State shall have the right to assess, and Concessionaire must then pay to the State, liquidated damages in an amount not to exceed the applicable daily rate (the Minimum Annual Guarantee divided by 365 days) times the number of days per occurrence for failure timely to comply with the requirements of all Articles of this Agreement, unless a different liquidated damages amount is indicated in an Article or Section of this Agreement. The Concessionaire and the State stipulate that any such assessment shall not be construed as a penalty; rather, the Concessionaire

and the State stipulate that actual damages resulting from violations of this Agreement will be hard to ascertain and that the Minimum Annual Guarantee methodology per day per occurrence is a reasonable forecast of the damages likely to occur in the event of a breach.

2. The State will notify the Concessionaire in writing of any deficiency and the State's intent to assess liquidated damages. The Concessionaire shall have seventy-two (72) hours after receipt of the notice to remedy all deficiencies identified in the notice prior to the State assessing the liquidated damages. If the Concessionaire fails to remedy any deficiency by the date indicated in the written notice, the assessment of liquidated damages will be retroactive to the date of the notice.

3. The State recognizes that there may be deficiencies that require more than seventy-two (72) hours to remedy and, as such, will be reasonable when considering requests for additional time to cure deficiencies. The Concessionaire must submit a request for additional time, in writing, prior to the deadline stated in any written notice by the State. Any permission from the State for an extended period to cure a deficiency shall be granted or denied in writing.

4. The State is not required to issue written notices related to established deadlines that the Concessionaire fails to meet, such as report due dates and payment due dates. Failure by the Concessionaire to meet specified deadlines may result in the immediate assessment of liquidated damages without written notice by the State.

5. The Concessionaire shall pay any assessment of liquidated damages by the State within ten (10) days of receipt of an invoice for such damages. The Concessionaire may protest any assessment of liquidated damages under 17 AAC 42.910.

F. Unpaid Fees: Any rent, charge, fee, liquidated damage, or other consideration due but unpaid at the expiration or cancellation of this Agreement is a charge against the Concessionaire and its property, real or personal. The State has any lien rights allowed by law. Either the State or its authorized agent may provide enforcement.

G. Interest: Beginning the day after payment is due, all fees due and unpaid accrue interest at ten and one-half percent (10.5%) per annum until paid. In its discretion, the State may increase this interest rate to the legal rate for post-judgment interest under Alaska law.

H. Badge/Fingerprint Fees: The Concessionaire will pay an Airport Badge Fee and a Fingerprinting Fee, each as established and modified from time-to-time by the State, for each badge issued during the term of this Agreement. The Airport Badge and Fingerprinting Fees are due at the time of service for each transaction. As may be applicable, the Concessionaire will also pay any other badge-related fee duly

established, including fees for replacement badges and for lost or otherwise unreturned badges.

I. Other Fees: The State reserves the right to impose and collect charges and fees from the Concessionaire for the following, either directly or indirectly:

1. The use of parking and tenant employee parking on the Airport; and
2. The use of specified equipment, facilities or services when such use is requested by Concessionaire; and
3. The privilege of accessing the Airport to conduct any business other than FAI Terminal Food & Beverage and Retail concession services; and
4. Basic utility expenses (electricity, heating/cooling) are included in the concession and rent fees, but extraordinary utility expenses for use of electrical or other utilities beyond what would be considered normal and customary for concession locations of a specified size and use and extraordinary cleaning services are not. The State shall provide the Concessionaire with written notice of any extraordinary utility expenses and thereafter the Concessionaire shall have ten (10) days from the date of such written notice to dispute the extraordinary utility expenses. The Concessionaire acknowledges that the State's decision shall be final and binding, however, the State agrees that it shall be reasonable when considering such disputes. If the Concessionaire fails to dispute the extraordinary utility expenses within ten (10) days of receipt of written notice, the extraordinary utility expenses shall be deemed valid and the fees shall be immediately due and owing to the State.

ARTICLE VII

AIRPORT CONCESSIONAIRE DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

A. State Policy: The State of Alaska policy to ensure that Airport Concessionaire Disadvantaged Business Enterprises (ACDBEs) have the maximum opportunity to participate in the performance of Airport contracts.

B. Concessionaire's Obligation: This Agreement is subject to the requirements of the U. S. Department of Transportation's regulations, 49 CFR Parts 23 and 26. To comply with these requirements, the Airport has established an ACDBE Program, approved by the FAA, and in accordance with these parts. To comply with the ACDBE Program, Concessionaire agrees as follows:

1. that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in the connection with the award or performance of any concession agreement, management contract, or subcontract,

purchase or lease agreement, or other agreement covered by 49 CFR Parts 23 or 26;

2. that it shall assist the Airport in reaching its overall ACDBE participation goal by subleasing, whenever possible, a portion of its concession locations to Small Business Enterprises, Woman Business Enterprises, and Certified ACDBE's; and;

3. that it shall include the following statements in any subleases or contracts covered by 49 CFR Parts 23 and 26, that it enters into and shall cause those businesses to similarly include the statements in further agreements:

a. "This agreement is subject to the requirements of the U. S. Department of Transportation's regulations, 49 CFR Part 23 and 49 CFR Part 26. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23 or 49 CFR 26."

b. "The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 or 49 CFR Part 26, that it enters into and require those businesses to similarly include the statements in further agreements."

ARTICLE VIII

OPERATION OF CONCESSION SERVICES

The Concessionaire's operation under this Agreement is a service to airline passengers, and other users of the Airport. The Concessionaire acknowledges that the ability of the State to effectively compete with airports outside the State of Alaska and to promote tourism to the State of Alaska depends, in part, on the performance of the Concessionaire. Accordingly, the Concessionaire will conduct its operation in a first-class, businesslike, efficient, courteous, accommodating manner, and will comply with the following:

A. Adoption of Food & Beverage and Retail Program: The Concessionaire will implement its Food & Beverage and Retail Program. As a required component of the Concessionaire's Food & Beverage and Retail Program, the facilities are identified in Exhibit A, Pages 1 of 2, and 2 of 2. No general refinement or modification of the Food & Beverage and Retail Program will be deemed accepted by the State unless expressly stated in a written supplement to this Agreement, signed by both parties.

B. General

1. The Concessionaire shall conduct all business in an orderly, peaceful and professional manner without interfering with other tenants, users, or occupants of the Airport.
2. The Concessionaire shall ensure that it and any joint venture partner or subcontractor shall at all times fully comply with all applicable requirements of the city, state and federal laws, and regulations adopted by municipal, state, federal or any governmental legal authority and the rules and regulations promulgated by the State as same may be amended from time to time.
3. The Concessionaire shall not install or operate any coin, card, token or otherwise activated vending machines or devices of any kind or type.
4. The Concessionaire's business shall be conducted in a manner so as to meet the needs of the Airport's patrons and the State and in a manner that will reflect positively upon the Concessionaire and the State. The Concessionaire shall offer quality services and equip, organize and efficiently manage the Premises to provide first class service in a clean, attractive and pleasant atmosphere.
5. The Concessionaire shall not permit any defacing of walls, floors and fixtures and shall not permit loitering. The Concessionaire shall keep all the Premises free from trash and debris and maintain and service all equipment at a high level of efficiency, reliability and appearance.
6. The Concessionaire shall neither commit nor allow any nuisance, noise, noxious smell or waste on the Airport, nor annoy, disturb or be offensive to other Airport users.
7. Within the Airport boundaries, the Concessionaire shall not use any space for sale, storage or any other undertaking, unless specifically leased from the State for that purpose.
8. The Concessionaire shall ensure that it provides sufficient equipment, including vehicles, as necessary for efficient operation at the Airport.
9. The Concessionaire will give a receipt for each sales transaction that clearly identifies the Concessionaire by name and Airport.
10. All facilities must accept at least three major debit/credit cards for payments with no minimum charge level.
11. As a service to customers, all facilities must provide, without charge or purchase requirement, change-making service at each cashier location upon request.

12. The State has installed a Premises Wiring Distribution System (PWDS) in the Terminal, which provides a Structured Telecommunication System with a fiber optic backbone throughout the Airport. The Concessionaire is required to use the PWDS for its data and telecommunication needs wherever the PWDS exists on the Effective Date of this Agreement or is installed in the future. For new build-out, the Concessionaire will not install wiring for any function that can be served by the PWDS.

C. Advertising: The Concessionaire shall have the limited ability to promote itself and its services on its Premises; however, the Concessionaire may advertise at the Airport only under separate contract with the State or the State's advertising concessionaires.

D. Alcoholic Beverages: The dispensing of alcoholic beverages must be operated by the Concessionaire in strict accordance with State of Alaska laws and regulations dealing with operation of an alcoholic beverage dispensary. The Concessionaire must maintain any required licenses during all Agreement Years.

E. Automated Accounting Equipment: The Concessionaire must install and use automated accounting equipment acceptable to the State to accurately and completely record all transactions.

1. The Concessionaire will give a receipt for each sales transaction that clearly identifies the Concessionaire by name and Airport.

2. If requested, the Concessionaire will issue separate checks to each guest in a party at no additional cost.

3. The use or installation of wireless technology for sales transactions must be approved through the Airport Building Permit process.

F. Business Development

1. The Concessionaire shall take all reasonable measures to maintain, develop, and increase its business at the Airport.

2. The Concessionaire shall not divert any business, or by its own action, cause or allow any diversion of sales or other business, from the Terminal or the Airport.

G. Customer Comments

1. The Concessionaire shall respond in writing to all written customer or public comment received by the State and forwarded to the Concessionaire, regarding the management, operation and content of the food & beverage and retail concessions under this Agreement. The Concessionaire shall provide such written responses within seven (7) days of receipt of a comment from the State. The Concessionaire shall provide a copy of such written responses to customers to the State contemporaneously with the delivery of such response to the customer. This section does apply to postings on social media sites, twitter or to communications through other similar media.

2. The Concessionaire shall coordinate responses to major or significant complaints, such as any complaint threatening legal action or alleging a violation of law, with the State prior to responding in writing. The Concessionaire shall use its best professional judgment in assessing when the State should be notified in advance of a proposed response to a complaint, but shall provide such notice if it believes a reasonable facility manager would desire such notice.

H. Collection of Bad Checks and Debts: The Concessionaire will have full responsibility to collect bad checks, uncollectable credit card charges, disputed credit card charges, or debts from customers, suppliers, vendors, etc. The inability of the Concessionaire, or its agent, to successfully collect any bad checks, charge-backs or debts will not reduce Gross Revenues by such amount.

I. Business Solicitation: The Concessionaire shall not solicit business in the public areas of the Terminals or on Airport property. Business may be conducted only on the Premises authorized under this Agreement.

J. Foreign Currency: The Concessionaire may accept foreign currency as payment for retail sales. No other foreign currency exchange with customers, airline crewmembers, or passengers is authorized by the Agreement. The exchange rates used by the Concessionaire in foreign currency exchange transactions must be posted in full view of customers at the Concessionaire's cash register locations. Regardless of exchange rates used by the Concessionaire to make change with customers, for purposes of gross revenue accounting under this Agreement all foreign currency received by the Concessionaire shall be stated at its prevailing value at Key Bank in Fairbanks (phone: 907-459-3300) on the date of receipt.

K. Hours of Operation

1. The Concessionaire shall actively operate the concession to best serve the needs of airline passengers, airport employees, and other users of the Airport. Concessionaire shall remain open during all scheduled passenger flights unless otherwise specified in Exhibit E. Any change in operating hours requested by the

Concessionaire must be approved by the State in writing before the change in hours occurs.

2. The State may require a change in operating hours if, in its written determination, a change is desirable to provide better service to the traveling public or other airport users.

3. If the Concessionaire is able to demonstrate in writing that operating the Food & Beverage and Retail Facility to serve passengers of specific scheduled passenger flights is neither economically feasible nor necessary to satisfy the best interest of the State, the Concessionaire may request a waiver of the requirement to serve the specified scheduled passenger flights. The State will approve or disapprove this request in writing and the Concessionaire will be bound by the State's decision.

4. Except in the event of an emergency, the Concessionaire must obtain the written approval of the State before the Food & Beverage and Retail Facility is closed during scheduled operating hours for repair, maintenance, construction or other reason.

5. The State may require the Concessionaire to pay liquidated damages in an amount not to exceed the applicable daily rate (the Minimum Annual Guarantee divided by 365 days) times the number of days for every day the facility is closed when it is scheduled to be open, or operationally non-compliant in accordance with Exhibit E. These damages will be in addition to normal fees due the State under this Agreement.

6. It is the duty of the Concessionaire to stay informed and current each week regarding scheduled passenger flights operating to or from the Airport. For the purposes of this Section, the term "scheduled passenger flights" will include the following:

- all flights operated according to a published schedule; and
- all other passenger flights about which the Concessionaire has been given at least twenty-four (24) hours' notice prior to arrival.

L. Maintenance Requirements

1. The Concessionaire is responsible for, and must provide, ongoing day-to-day maintenance of its Premises at the Airport, including janitorial services and trash collection. Trash and other refuse items are subject to the disposal requirements of the State.

2. The public nature of this program places unusual priority on the maintenance process and it is important that the Concessionaire have an effective maintenance

plan and adequate maintenance staff and equipment. The Concessionaire must maintain the Premises in good repair and appearance and in a safe condition at all times both in areas exposed or accessible to the public, and in nonpublic areas such as storage, kitchen and utility areas, to ensure that neither the condition nor operation of the Premises or the Concessionaire's facilities or equipment adversely affect or pose unnecessary risk to any person, property or Terminal system. The Concessionaire's maintenance plan, staff and equipment must specifically provide for active maintenance of the Concessionaire's kitchen facilities and equipment. The Concessionaire shall do, or cause to be done, without delay, all those things which, in the determination of the State, are necessary or desirable in the interest of safety or to maintain the Premises in good repair and appearance. If the State determines, through routine inspection of the Terminal or otherwise, that any of the Concessionaire's facilities or operations have resulted in unreasonable potential for or actual damage to any Terminal system, the State will notify Concessionaire in writing of the State's findings and assessment of actual or potential damage to any Terminal system. Concessionaire is required to respond to the State in writing with twenty (20) days of receipt of the notice from the State, documenting a plan to rectify the situation. If Concessionaire fails to rectify the situation within the time period documented (without receiving an extension of time from the State) it must pay to the State liquidated damages in an amount not to exceed the applicable daily rate (the Minimum Annual Guarantee divided by 365 days) times the number of days per occurrence for until the source of the potential or actual damage is cured and any actual damage is repaired.

3. Lighting, other than ceiling lighting, will be the responsibility of the Concessionaire. The Concessionaire, at its sole cost, is responsible for replacing all bulbs, ballasts and other lighting fixtures in or on its Premises as needed.

4. In the event, upon regular inspection of the Airport facilities, due to public comment, or by other observation, Airport staff becomes aware of a service level problem relating to the Concessionaire's facilities, the Airport staff will notify the Concessionaire by e-mail, fax or other written form regarding the deficiency. Such repair or maintenance as is necessary shall be performed by the Concessionaire within seventy-two (72) hours of notification, except as provided in the following paragraph.

5. If a needed repair or maintenance that is the subject of a notification as described in the preceding paragraph involves a major repair or replacement, the Concessionaire will notify the State in writing as to the expected delivery/repair date and time. If possible, the Concessionaire shall remove the damaged or defective fixture or equipment and post a temporary "Under Construction" notice, which preserves the visual integrity and safety of the area. Any permission from the State for an extended repair shall be requested and granted or denied in writing.

6. If the State notifies the Concessionaire that a deficiency represents a health and/or safety risk and the Concessionaire fails to respond immediately, the State may, in its sole discretion, take action as is deemed necessary by the State to eliminate the immediate hazard or risk of liability. In such case, the Concessionaire shall reimburse the State for any costs the State incurs.

7. Damage or injury to any Airport user or the State, caused in whole or in part due to the unsafe condition or inadequate maintenance of any Concessionaire installed equipment, fixture, or system shall be paid for by the Concessionaire.

M. Merchandise and Service Quality

1. The State desires to provide the air traveler with food and beverages, merchandise, facilities, and services of the highest quality. The Concessionaire must only offer food and beverages, merchandise, facilities and services of the highest quality, subject to the continuing review and approval of the State as set forth in this Agreement.

2. The Concessionaire shall offer a selection of food and beverages and merchandise in accordance with Exhibit E and maintain sufficient inventories to accommodate customer demand. The State agrees that the selection of particular food and beverage products, brands and sizes of merchandise are at the Concessionaire's discretion. Any food and beverage item or merchandise is subject to review, modification, and disapproval by the State if, in its sole determination, the food and beverage and merchandise offered does not meet the standards set forth in Subparagraph 1 above. The State agrees to meet with the Concessionaire in the case of any disapproval, but the Concessionaire acknowledges that the State's decision is final.

3. The Concessionaire shall not significantly change the product mix of the Food & Beverage and Retail Facility as described on Exhibit E, without the written consent of the State.

4. The State, at its sole discretion, reserves the right to direct the Concessionaire to add or delete items from the product lists provided on Exhibit E.

N. Non-Discriminatory Pricing: The Concessionaire shall operate its Concession authorized under this Agreement to its customers on a fair, equal, and nondiscriminatory basis and charge a fair, reasonable, and nondiscriminatory price. The Concessionaire, however, may make or give to similar types of customers, or other special category customers, discounts or rebates that are not illegally discriminatory.

O. Signage

1. Other than State-approved signage at and identifying a facility by name and/or concept, this Agreement grants the Concessionaire no other signage rights.

However, the State may approve additional signage that the State, in its sole discretion, determines to be in the best interest of the State. The Concessionaire shall not, without the prior written approval of the State in the form of an Airport Building Permit, construct, erect or place any signs in or on the Terminal or at the Airport. The terms "sign" and "signs" as used herein shall mean advertising or promotional materials, billboards, notices, identification symbols, posters, electronic or static displays, information racks, decals, logos, or any similar device.

2. Prior to the construction, erection or placement of any sign (including those identified in Section O.1, above), the Concessionaire shall submit to the State, for approval, drawings, sketches, electrical details, designs, elevations, dimensions, type, number, message and proposed location of such sign. Any restrictions, conditions or limitations with respect to any such sign as set forth in writing by the State shall become conditions of this Agreement. The State shall have the right to reject any sign proposed by the Concessionaire.

3. The Concessionaire is responsible to obtain any permits or other approvals that are required to comply with local, State, federal, and Airport policies, rules and regulations.

4. No temporary hand-written signs are permitted within the Concession premises.

P. Federal Regulations: The Concessionaire will comply with all federal regulations related to the operation of the concession.

Q. Airport/TSA/FAA Compliance Plan:

1. The Concessionaire shall comply with all applicable responsibilities of the Airport Security Program, the Airport Certification Manual, and the Airport Emergency Plan and Airport Operational Orders required by 49 CFR Part 1542 and 14 CFR Part 139 and any other applicable regulation. The Concessionaire shall procure any identification badges required by the Federal Aviation Administration ("FAA") or the TSA or the Airport necessary to perform the rights and obligations under this Agreement. The Concessionaire is solely responsible if the FAA, TSA or the State find the Concessionaire at fault for any fine that results from a Concessionaire's violation of the Airport Security Program, the Airport Certification Manual, the Airport Emergency Program, 49 CFR Part 1542 and 14 CFR 139 by the Concessionaire, its agents, officers, suppliers, guests, customers, or employees while at the Airport.

2. Any penalty imposed on the State that results from a violation of the Airport's Security Program, Certification Manual, Airport Operational Orders, Emergency Program, or any applicable local, state or federal regulation, caused in whole or in part by the Concessionaire or by any of Concessionaire's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under

the authority of the Concessionaire, will, as between the State and the Concessionaire, be the sole responsibility of the Concessionaire, and will be reimbursed to the State within thirty (30) days of written demand if the State pays the penalty.

R. Street Pricing: The actual prices for food, beverages and retail products charged by the Concessionaire to the public must not exceed the average price plus ten percent (10%) percent of comparable items (size and quality) sold at Concessionaire's other facilities or comparable facilities within a twenty five (25) mile radius of Fairbanks International Airport. A parallel rule applies to any subcontractor. The Concessionaire shall submit three (3) comparable facilities for the State to review and are subject to approval by the State. In its discretion, and after consultation with the Concessionaire, these may change throughout the Agreement term as deemed appropriate by the State. Price comparisons may be conducted from time-to-time by the State or by the Concessionaire, and with each increase to menu prices. However, a report of any comparison performed by the Concessionaire and a statement of any proposed price adjustments shall be provided to the State not less than seven (7) days prior to implementation of the price adjustments.

S. Fairbanks International Airport is a non-smoking facility.

ARTICLE IX

PERFORMANCE GUARANTEE

A. Performance Guarantee: By the Facility Opening Date, the Concessionaire will submit and maintain in effect a performance guarantee in the amount of fifty seven thousand seven hundred fifty dollars (\$57,750), which equates to approximately fifty percent (50%) of the first year's Annual Guarantee, to guarantee performance of its capital investment obligations set forth in Article XI. The Concessionaire will keep a performance guarantee in at least that amount in effect throughout the term of this Agreement.

1. The State may increase or revise the amount of the performance guarantee by written demand. The State will base any such increase or revision on reasonable and justifiable grounds.
2. The State will accept a guarantee in the form of a cash deposit, a time certificate of deposit, a performance bond, an annual renewable bond, or an irrevocable letter of credit, all subject to State approval.
3. The State will base its approval of the form of the guarantee on certainty of the assurance that the Concessionaire's failure to make timely payments or comply with any requirement of the Agreement will readily allow the State to attach and collect the full amount of the guarantee.

B. Release of Performance Guarantee: The State will release the guarantee only by written authorization after the Concessionaire has met all capital improvement obligations. Neither cancellation nor expiration of this Agreement constitutes a release or discharge of the bond.

ARTICLE X

AUDITS, REPORTS, BOOKS, AND RECORDS

A. Maintenance of Books and Records

1. To provide a satisfactory basis to confirm the accuracy of the Concessionaire's CARs, the Concessionaire will establish and maintain books and records that concern the business authorized under this Agreement in accordance with Generally Accepted Accounting Principles. The Concessionaire's books and records must, in the determination of the State, enable the Concessionaire to report accurately, and the State to check easily, payments due the State under this Agreement.

2. As used in this Agreement, "books and records" include, without limitation, general ledgers, revenue journals, register tapes, cashier reports, daily or periodic summary reports, daily and monthly reports, computer terminal tapes, computer disks or other media (including, but not limited to, unedited computer generated printed material if access to the computer tapes or disks are unavailable), bank deposit slips, bank statements, credit/debit card service statements, tax reports to federal, state and local agencies (but not including state or federal income tax reports) and contractual agreements with third parties (including subcontractors and joint venture partners) on the Airport that contract for services with the Concessionaire.

3. The Concessionaire will preserve all books and records of business conducted under this Agreement for the longer of six (6) months after completion of an audit by the State or five (5) years after the end of the Agreement Year to which the books and records pertain. However, if the State objects to any report or statement by the Concessionaire, the Concessionaire will preserve all books and records containing information relevant to that report or statement until resolution of the objection is confirmed in writing by the State.

4. The State, or its designee(s), shall have access to the above referenced records at all times regardless of the media in which the information is stored.

B. Audit

1. The Concessionaire will permit the State to inspect, copy, and audit the Concessionaire's books, records, and supporting data related to this Agreement at the State's request during regular business hours. The State may either require the Concessionaire to transport the necessary books and records to a location at

the Airport for inspection, copying, or audit, or perform the audit at the location where the Concessionaire maintains the records.

2. If the Concessionaire's place of business and record keeping is outside Fairbanks, Alaska, and if the Concessionaire requests that the State (but not if the State elects to) perform the audit at that location, the Concessionaire will pay the State for the audit costs incurred. Audit costs include round-trip air and ground transportation from the auditor's duty station to the location where the Concessionaire maintains the books and records, as well as per diem at the then-current State of Alaska rate for each day of travel and on-site audit work. Audit costs do not include the salary and benefit costs of the auditors. After the audit, the State will bill the Concessionaire for the costs incurred and the State will support the billing with a copy of the travel authorization form used by the State. The Concessionaire will pay these costs within thirty (30) days of the State's billing date.

3. The Concessionaire shall provide all information requested by the auditor in a timely manner. If the auditor does not specify a deadline to submit requested information, the term "timely manner" shall mean "not more than thirty (30) days."

4. Such audits are to be limited to once per annum, unless a significant discrepancy or change occurs. These may include, but are not limited to: change in management; significant drop-off in revenue from one month to the next; complaints related to billing from clients or vendors of the Concessionaire.

C. Concession Underpayments

1. If any State inspection or audit of the Concessionaire's books and records discloses a Concessionaire underpayment, the Concessionaire will pay, within thirty (30) days of the billing date, any underpayment disclosed by the audit plus:

- a. interest at the rate specified in Article VI (Fees and Payments);
- b. any actual costs and attorney fees that the State incurs to collect the underpayment;
- c. if the underpayment is more than one-percent (1.0%) of Gross Revenues in any fiscal year, all audit costs that the State incurs, including salary and benefit costs of the auditor.

2. If the State collects the difference through litigation, the Concessionaire will pay the State the State's full costs and attorney's fees incurred to collect the underpayment. Further, the Concessionaire is liable for the full costs and attorney's fees if the State finds it necessary to take legal action either to levy the performance bond under Article IX (Performance Guarantee) or take other action necessary to collect money the Concessionaire owes to the State.

D. Financial Information: Within sixty (60) days after the end of each Agreement Year during this Agreement, the Concessionaire will furnish the State with a true and accurate statement that reflects the Concessionaire's Gross Revenues derived from business transacted under this Agreement during the preceding Agreement Year. An independent certified public accountant must certify and sign this special purpose statement as true and correct.

E. Period for Objection: If the State does not object to the contents of any report or statement furnished by the Concessionaire within five (5) years after the date the report or statement is furnished to the State, the State will consider the contents of the report or statement correct unless the State establishes that the report or statement was fraudulently prepared. If the State objects to any report or statement, the Concessionaire will preserve all books until the objection is resolved.

F. Additional Supporting Data

1. The Concessionaire will furnish the State with other financial or statistical reports that the State may occasionally request regarding the Agreement. This Section does not require the Concessionaire to submit data that is either confidential business information or trade secrets unless reasonably related to determining compliance with this Agreement, and the State provides for protection of such information from public disclosure.

2. The Concessionaire shall provide all information requested by the State in a timely manner. If the auditor does not specify a deadline to submit requested information, the term "timely manner" shall mean "not more than thirty (30) days."

G. Public Information: All books, figures, records, reports, statements, or similar items the Concessionaire submits to the State are public records and available for public inspection, except as may be provided under the previous section.

ARTICLE XI
CONSTRUCTION, REMODELING, AND REFURBISHMENT

A. Upper Level and Lower Level of the Terminal Building Food & Beverage and Retail Space

1. The Concessionaire will implement the Upper and Lower Level Terminal Building Food & Beverage and Retail capital investment components in accordance with its proposal, as subsequently refined or otherwise modified and accepted by the State.

2. The Concessionaire will abide by all applicable building code requirements and understands that the Food & Beverage and Retail Program is subject to further modification and refinement during the Airport Building Permit process. Approval

of Airport Building Permit that entails variation from the Food & Beverage and Retail Program constitutes the State's acceptance of the variation only if expressly so stated in the permit and then only for the project specifically approved. No general refinement or modification of the Upper or Lower Level of the Terminal Food & Beverage and Retail Program will be deemed accepted by the State unless expressly stated in a written supplement to this Agreement, signed by both parties. An approved Airport Building Permit is required prior to the start of any construction.

B. Capital Investment: The Concessionaire is required to make the necessary capital investment to develop the proposed Food & Beverage and Retail Facility in the Upper and Lower Levels of the Terminal Building. A minimum capital investment of \$155,300 (3,106 square feet x \$50.00 per square foot) is required for build-out of the concession facilities for Existing Food and Beverage Space and new Food/Beverage and Retail Space throughout the term of the Agreement.

1. The capital investments for build-out of the Food & Beverage and Retail Facility must be completed by the date specified in Exhibit D of the Agreement. This capital investment is defined as including the following items only:

- a. Directly contracted construction costs with a Contractor;
- b. Furniture, fixtures and equipment purchased specifically for use in the facility; and
- c. Administrative/Overhead expenditures (including consulting, architect and engineering fees) not to exceed seven percent (7%) of the total approved cost of the unit project as defined above.

2. Statement of Expenditures: Within one hundred eighty (180) days after the State's acceptance of this construction, the Concessionaire shall provide the State with a statement, certified by the Concessionaire's chief financial officer, of those costs that the Concessionaire incurred for capital investment. This statement must be supported by receipted invoices evidencing payments for these costs. The certified statement is subject to review and audit by the State.

3. Amortization: Approval of an Airport Building Permit does not constitute approval of furnishings, fixtures, equipment, and other improvements to be amortized under the Agreement. The Concessionaire shall provide a detailed list to the State of all furnishings, fixtures, equipment, and other improvements that it intends to amortize under the Agreement. The State shall approve or reject furnishings, fixtures, equipment and other improvements to be amortized under the Agreement. The State shall render its decision in writing to the Concessionaire. The Concessionaire shall amortize all approved furnishings, fixtures, equipment and other improvements over a seven (7)-year period using the straight-line method.

C. General Construction Requirements

1. Any Concessionaire alteration, construction, or improvement of the Premises will be neat, presentable, and compatible with the architecture of the Terminal, as determined by the State, and performed at no cost to the State.
2. Before constructing any improvement in the Premises, the Concessionaire will obtain the written approval of the State in the form of an Airport Building Permit that includes all required attachments and detailed drawings of the proposed construction. At the State's request, the Concessionaire will also submit architectural renderings of the proposed improvement with samples of materials and colors.
3. The State will review the proposed construction and provide the Concessionaire written approval or disapproval.
4. The Concessionaire will deliver detailed as-built drawings to the State within thirty (30) days after completing construction. The as-built drawings must show the location and dimensions of any structural, mechanical, electrical, or plumbing improvements the Concessionaire places or constructs in the Premises.

D. Routine Refurbishment: The Concessionaire agrees that at its own expense it will paint or replace wall coverings, worn carpeting, furnishings, fixtures, or other items as their condition may require, as reasonably necessary to maintain a professional quality appearance throughout the term of the Agreement, or at the State's request. To monitor, assess, and accomplish this requirement, the Concessionaire must establish an adequate preventive maintenance program that is subject to review by the State. Refurbishment must be accomplished in a way that minimizes negative impacts to customers, Airport employees, and other users of the Airport.

E. Ownership of Improvements:

1. On expiration of this Agreement, title to all improvements required under the original terms of this Agreement, together with all other fully amortized improvements, vest in the State, except to the extent the State directs the Concessionaire to remove the improvements. The State agrees to either purchase, whether by payment or offset credit against rents or fees, or require reimbursement to the Concessionaire by a succeeding concessionaire, the remaining unamortized portions of any improvements, subject to the improvements having been:
 - a. approved by the State under an Airport Building Permit; and
 - b. expressly acknowledged in the Airport Building Permit to be beyond the requirements of this Agreement; and

- c. expressly acknowledged in the Airport Building Permit to be subject to purchase or reimbursement under this Agreement.
2. On cancellation of this Agreement, title to all improvements vest in the State as described under Article XXI (Cancellation by State).

ARTICLE XII

LEASE OF ADDITIONAL SPACE

If the Concessionaire requests additional space in the Terminal for administrative, support or other purposes, and the State determines that suitable space is available, the State may lease the space subject to public notice and other requirements of law concerning the lease of Airport Terminal space.

ARTICLE XIII

REDUCTION OF SPACE

A. Concessionaire Requested Reduction:

1. If the Concessionaire determines that it is not economically feasible to continue operations in any portion of the Premises authorized under this Agreement, the Concessionaire may submit a written request to discontinue operations in that area or to reduce the area at that location and surrender this space to the State. The Concessionaire will be required to demonstrate in writing, to the State's satisfaction, that discontinuing operations in this area is in the State's best interest. The State may require that the Concessionaire provide financial, statistical, or other data to support the request for a reduction of the Premises. Any decision to reduce space rests solely with the State and the Concessionaire will abide by the State's decision.
2. If the State approves the Concessionaire's request to discontinue operations in an area of the Premises, the State may, in its sole discretion, either allow the Concessionaire to use the area for other purposes related to the business authorized under this Agreement or require the Concessionaire to vacate the space and surrender it to the State. In the event that the Concessionaire requests to discontinue operations in an area of the Premises, and the State grants its permission, there will be no buy-out of any improvements to that area, and title to any improvements therein constructed will immediately vest in the State, unless the State requests Concessionaire to remove such improvements. If the State requests removal of any improvements and the Concessionaire fails to do so within a reasonable period of time, as so determined by the State, then the State may cause such improvements to be removed and may charge the Concessionaire for the expense of the removal, plus a 25% administrative charge.

B. State-Directed Reduction: The State reserves the right, in its sole discretion, to reduce the area authorized under this Agreement if the State determines that it is in its best interest to do so. If the State reduces the area of Concessionaire's Premises, the Concessionaire's Annual Guarantee obligation will adjust consistent with the reduced footage of Food and Beverage and Retail Facility space and the Concessionaire's Additional Rent will adjust consistent with the reduced square footage of Support Space, as applicable. In the event that the State directs the Concessionaire to discontinue operations in an area of the Premises, the State will buy-out the unamortized portions of any improvements to that area that cannot reasonably be removed by the Concessionaire.

ARTICLE XIV **STATE-DIRECTED RELOCATION**

The Concessionaire acknowledges that the State may require the relocation of the Premises, in whole or in part, if the State, in its sole discretion determines that relocation is necessary to meet the needs of the traveling public or is in the best interest of the Airport. The following responsibilities apply if the State requires relocation of any Premises applicable under this Article:

A. State Responsibilities: The State, at its sole expense, will provide new lease space with interior permanent improvements including floors, ceiling, carpeting, lighting, electrical, wall finishes, heating, ventilation, and permanent fixtures similar to those in the space from which the State requires the Concessionaire to relocate.

B. Concessionaire Responsibilities: The Concessionaire, at its sole expense, will relocate all non-permanent fixtures, furnishings, and equipment to the new lease space; provide any additional fixtures, furnishings, and equipment that the Concessionaire finds necessary or desirable to fully use the new lease space; and vacate and surrender the former lease space to the State when the new space is completed.

C. The State and the Concessionaire will perform their respective obligations in an expeditious manner, excluding any delay beyond the control of either party. The State will attempt to provide new lease space that is equal to or better than the area the State requires the Concessionaire to vacate. However, the State is not responsible for any financial loss the Concessionaire may incur because of relocation under this Article unless the loss is the result of a breach by the State of its obligations under this Article.

ARTICLE XV **PERSONNEL**

The Concessionaire will maintain adequate staff at the Airport and use the utmost skill, professionalism and diligence in the operation of its business.

A. Manager

1. The Concessionaire will at all times during the term of the Agreement maintain and identify to the State a qualified, competent and experienced local supervising manager ("manager") vested with full authority to accept all notices regarding the operation of the concession business authorized under this Agreement, including the quality of prices of merchandise and the appearance, conduct, and demeanor of the Concessionaire's agents, servants, and employees.
2. The Concessionaire's manager will be responsible for the general day-to-day operations under this Agreement and shall serve as the primary Concessionaire point of contact for the State for the Food & Beverage and Retail concession at the Airport.
3. The Concessionaire's manager must maintain a duty station in the Airport and normally remain available during regular business hours.
4. The manager must have the ability to respond to any issues at the Airport within a twenty-four (24) hour period from first notice.
5. The Concessionaire shall provide the State with written notice within ten (10) days of the Effective Date indicating the name, home, pager and cellular telephone numbers, email address and business address of the manager.
6. The manager will place a responsible subordinate in charge at all times during the manager's absence from the Airport.
7. If the State is not satisfied with the Concessionaire's selected manager (or replacement manager) or responsible subordinate, or at anytime the State is not satisfied with the Concessionaire's managers' (or replacement managers') performance during the term of this Agreement, the State may notify the Concessionaire in writing setting forth the State's complaints. Within twenty (20) days of receipt of any such notice, the Concessionaire shall respond in writing detailing the corrective action taken to resolve the State's concerns. If the State is still not satisfied, the State and the Concessionaire shall negotiate in good faith to achieve a mutually acceptable resolution to the issue.
8. If during the term of this Agreement, the Concessionaire desires to change managers, it may do so only after having notified the State in writing and received the State's prior written approval of the proposed replacement manager. The notice shall include the name, home, pager and cellular telephone numbers and email address and business address of the new manager and the effective date of the appointment.

B. Other Personnel

1. The Concessionaire shall provide an adequate number of trained employees, supervisors and managers necessary to perform the duties and meet the customer service standards required herein. It is the intent of the parties hereto that the Concessionaire's employees, subcontractors and joint venture partners maintain a high degree of professionalism.
2. While on duty, all Concessionaire's personnel will display identification badges at all times.
3. All of the Concessionaire's employees shall wear Concessionaire branded uniforms and be neat in appearance and courteous in manner. The Concessionaire agrees that it will be responsible for ensuring that these employees abide by all laws, rules, and regulations applicable to the Airport. The Concessionaire will not permit personnel on or about the Premises to use offensive or otherwise inappropriate language, to act in a loud, boisterous, or otherwise improper way, or to solicit business in an inappropriate manner, as determined by the State.
4. The Concessionaire shall be responsible for any requirements of the FAA, TSA, the State, or other regulating agencies regarding employee background checks and badging.

C. Periodic Meetings: The Concessionaire shall attend all meetings requested by the State throughout the term of this Agreement. The State shall designate which officers and employees of Concessionaire shall attend each meeting and those officers and employees shall attend. The State shall exercise reasonable discretion when mandating attendance at meetings requested by the State or may under appropriate circumstances permit attendance by teleconference or similar means.

D. Deliveries: The Concessionaire shall monitor the movement of deliveries to avoid conflict with other Airport functions and shall coordinate its use of the designated vendor loading areas at the Terminal, if necessary, with the use by other tenants or licensees of the State, and with the State. The Concessionaire shall be responsible for the return of all pallets, storage containers and other equipment belonging to its suppliers. Pallets, storage containers and other equipment shall not be stored in public areas of the Terminal while awaiting return to suppliers, but must be kept in Concessionaire's storage area(s). Concessionaire shall be responsible for adherence to all TSA rules and regulations regarding deliveries and the screening of merchandise for delivery on the secure side of the Airport.

ARTICLE XVI
STATE'S RIGHTS OF ACCESS AND INSPECTION

A. Inspection:

1. The State, by its officers, employees, agents, representatives, and contractors, may at all reasonable times enter and inspect the Premises or observe the Concessionaire's performance of its obligations under this Agreement, or take any action that the State is obligated to take under this Agreement.

2. The Concessionaire shall not claim nor will the State provide any fee abatement if the State exercises this right. The State will take reasonable steps to minimize interference with the Concessionaire's activity on the Premises except for an emergency.

B. Access:

1. The Concessionaire will provide emergency telephone numbers where the State may reach the Concessionaire or the Concessionaire's local supervising manager on a twenty-four (24) hour per day basis.

2. The State reserves the right to enter the Premises to repair, replace, alter, install, or maintain any mechanical, electrical, plumbing, heating, cooling, ventilation, fire protection, telecommunication, or other system necessary to the proper functioning of the terminal without liability to the Concessionaire for any damage to the Premises.

3. In the event of any damages to Premises interfering with Concessionaire operations, the State will make appropriate repairs, replacements, alterations or installations.. To the extent practicable, any State repair, replacement, alteration, installation, or maintenance will not unreasonably interfere with the Concessionaire's use of the Premises. Nothing in this Section in any way relieves the Concessionaire of any obligation to maintain its lease space and improvements.

4. The State, by its agents and employees, whether or not accompanied by prospective concessionaires, occupiers, or users of the Premises, may enter the Premises to exhibit, view, or photograph any part of the Premises. A State official, after advance coordination with the Concessionaire, will accompany any prospective concessionaire that requests to measure or photograph the Premises.

ARTICLE XVII

STATE SERVICES

A. The State will maintain the Premises' electrical, public address, plumbing, and heating systems in good condition and repair. However, the State may decline to maintain any system installed by the Concessionaire and may charge the Concessionaire for any repair resulting from the Concessionaire's negligence. The Concessionaire will pay the State within thirty (30) days of the billing date for any such repair charge.

B. The State shall throughout the term of this Agreement, subject to temporary shutdown for maintenance and repair, maintain all elevators and escalators in the Airport and shall maintain access to the Premises. However, the State may, at any time, temporarily or permanently close, consent to or request the closing of any corridor, pathway, elevator, escalator or other right-of-way for such access, ingress or egress, whether inside or outside the Premises, so long as a means of access, ingress or egress reasonably equivalent to that formerly provided, and not adverse to the Concessionaire's continued use and enjoyment of the Premises, is substituted and is concurrently made available.

C. The Concessionaire understands and agrees that there shall be inconvenience caused by construction or renovations of the Terminal, Premises and corridors, and the Concessionaire hereby releases and discharges the State from any and all claims, demands or causes of action which the Concessionaire now or at any time hereafter may have against the State arising or alleged to arise out of the closing of any right-of-way or other area used as such, whether within or without of the Premises, so long as the State makes available a means of access, ingress or egress reasonably equivalent if available to that existing prior to each such modification, if any.

ARTICLE XVIII

LAWS AND TAXES

This Agreement is subject to all State of Alaska laws and regulations, including those relating to leasing facilities and granting privileges at State of Alaska Airports.

A. Laws

1. At no expense to the State, the Concessionaire will comply with all federal, State of Alaska, and local laws, ordinances, regulations, and Airport rules, that are either now, or in the future, in force that may apply to the business authorized under this Agreement, or to the use, care, operation, maintenance, and protection of the Airport, including matters of health, safety, sanitation, and pollution. This requirement includes, but is not limited to, compliance and agreement to be bound by the terms and conditions of 17 AAC 42, and compliance with Airport Sponsors Grant Assurances.

2. The State is neither liable to the Concessionaire for any reduction or deprivation of the Concessionaire's rights due to the exercise of any authority, nor is the Concessionaire entitled to terminate the whole or any portion of this Agreement by reason of the State's exercise of any authority.

3. The Concessionaire will comply with any State of Alaska and federal regulation governing hazardous substances, including hazardous wastes, and with any State instructions regarding environmental concerns, regardless of whether based on specific law, regulation, or order of any governmental authority. With respect to any such occurrence, the Concessionaire will indemnify, defend, save, and hold the State and its employees harmless from any loss, claim, suit, or judgment. The Concessionaire will properly handle spills of hazardous substances and assumes responsibility for any spill of oil, oil-based substance, or hazardous substance attributable to its operation under this Agreement. The Concessionaire will immediately notify the State of any spill that occurs as well as the action taken. The Concessionaire will provide the State copies of any written spill or other reports regarding action taken as soon as the reports are available.

B. Taxes: The Concessionaire will obtain all necessary licenses and permits, pay all taxes (including any possessory interest tax, assessment, or similar charge) lawfully imposed on its business, and pay any other fee or charge assessed, levied or lienied against the Concessionaire, against the Concessionaire's right of occupancy of Airport facilities under any applicable public statute, regulation, or ordinance. The Concessionaire will pay such taxes, assessments, and charges directly to the taxing or assessing authority.

1. The Concessionaire will indemnify and defend the State from all costs that result directly or indirectly from any tax or assessment for which the Concessionaire is liable, including taxes, penalties, expenses, and reasonable attorneys' fees incurred by the State.

2. At its own expense, the Concessionaire may contest the amount or validity of any tax or assessment or similar charge, or contest the inclusion of the space leased under this Agreement as taxable or assessable property, directly with the taxing or assessing authority. The Concessionaire will indemnify the State for all taxes, penalties, costs, expenses, and reasonable attorneys' fees incurred by the State resulting directly or indirectly from any such tax contest.

3. Upon termination or expiration of this Agreement, the Concessionaire will promptly pay in full all due and payable taxes and obtain release of all liens.

C. Policies: The Concessionaire will comply with all applicable provisions of each Airport Certification Manual and Airport Security Program and with all airport directives as set forth by the Airport Manager.

D. Non-Discrimination:

1. Concessionaire agrees that discrimination on the grounds of race, color, religion, national origin, sex, age, mental/physical disability, marital status or change in marital status, pregnancy, or parenthood will not be permitted against any patron, employee, applicant for employment, other person or groups of persons in any manner prohibited by federal or state law. DOT&PF may take any action necessary to enforce this provision, including actions required by any federal or state law or FAA grant agreement.

2. Concessionaire will undertake any affirmative action program as required by 14 CFR Part 152, subpart E, or any superseding or substitute regulation, to ensure that no person is excluded from participating in any employment, contracting, or leasing activity on the grounds of race, color, religion, national origin, sex, age, or disability. Concessionaire agrees that no person may be excluded on those grounds from participating in or receiving the services or benefits of any program or activity covered by the regulation. Concessionaire will require its covered sub-organizations to provide assurance that they will also undertake affirmative action programs and require assurances from their sub-organizations, as required by 14 CFR Part 152.

E. Disputes: The laws of the State of Alaska, including the protest and appeal procedures of 17 AAC 42.910 and 17 AAC 42.920 will govern in any dispute between the parties. The parties will bring any appeal or lawsuit, if permitted, before the courts of the State of Alaska if any such dispute results in a lawsuit.

F. Claims: The Concessionaire will notify the State of any claim, demand, or lawsuit arising out of the Concessionaire's rights granted or the operations authorized under this Agreement. At the State's request, the Concessionaire will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit that affects the rights granted the Concessionaire under this Agreement. Such duty of cooperation includes preserving and providing documents and information reasonably necessary in the investigation or litigation of any such claim, demand or lawsuit.

G. Potential assignees or potential sublessees have no protest rights under 17 AAC 42.275 or 17 AAC 42.910, and any protests or legal appeals resulting from a denial of request for assignment or sublease must be filed and prosecuted solely by the "applicant," i.e., the Concessionaire.

ARTICLE XIX
ADDITIONAL FEES AND CHARGES

A. The Concessionaire shall pay the State any additional fees and charges, within thirty (30) days of receipt of an invoice for such fees and charges, where the State has paid any sum or sums, or has incurred any obligations or expenses for which the Concessionaire has agreed, either expressly or by implication, to pay or reimburse the State herein or if the State incurs any obligations or expenses because of the failure, neglect or refusal of the Concessionaire to perform or fulfill any of its obligations under this Agreement. Such payments may include all interest, costs, damages, and expenses reasonably related to such sums so paid or expenses so incurred.

B. The Concessionaire shall also pay to the State within twenty (20) days after the last day of each month this Agreement exists, all other fees, charges and sums as a result of any utility and service charges, and any other expenses incurred by the State on account of the Concessionaire for which the State is entitled to reimbursement whether express or implied herein, and such other fees, charges, levies as are prescribed or contemplated hereunder.

C. The State shall have a lien upon all removable fixtures and other trade fixtures of the Concessionaire placed at the Airport, to the extent permitted by law, for the purpose of securing the payment of all sums of money which may be due to the State from the Concessionaire under this Agreement.

ARTICLE XX
INSURANCE AND INDEMNIFICATION

A. Indemnification

1. The Concessionaire shall, to the fullest extent, defend, hold harmless, and indemnify the State and its agents and employees against any and all losses or obligations that arise directly or indirectly from the Concessionaire's operations or activities on the Airport (or elsewhere, if such operations or activities are undertaken in the Concessionaire's performance of services under this Agreement), unless such losses or obligations arise from the independent fault of the State or the State's agents and employees. The term "independent fault" refers to negligence or culpable conduct occurring other than in the State's selection, administration, monitoring, or controlling of the Concessionaire, or in the State's approval or acceptance of the Concessionaire's work.

2. The Concessionaire shall give the State prompt notice of any suit, claim, action, or other matter affecting the State to which any portion of this Section may apply, or otherwise arising out of the Concessionaire's rights granted or the operations authorized under this Agreement, together with a copy of any letter by an attorney on behalf of a complainant, any complaint filed in court, and any notice or complaint by any regulatory agency. The Concessionaire shall also use counsel

reasonably acceptable to the State and the Alaska Department of Law in carrying out its defense obligations under paragraph 1 of this Section. The State shall also have the right, at its option, to participate cooperatively in the defense of and settlement negotiations regarding any such matter without relieving the Concessionaire of any of its obligations under this provision. These indemnity obligations are in addition to, and not limited by, the Concessionaire's obligation to provide insurance, and shall survive the expiration or earlier termination of this Agreement. At the State's request, the Concessionaire will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit that affects the rights granted the Concessionaire under this Agreement.

3. If any mechanics' liens or other liens or orders for the payment of money shall be filed against the Premises, or any portion thereof, by reason of or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to or for the Concessionaire, or for or by reason of any change, alteration or addition or the cost or expense thereof, or any contract relating thereto, or against the State as owner thereof, the Concessionaire shall within thirty (30) days cause the same to be canceled and discharged of record, by bond or otherwise at the election and expense of the Concessionaire, and shall also defend on behalf of the State, at the Concessionaire's sole cost and expenses, and vacation, suit or proceeding which may be brought thereon or for the enforcement of such lien, liens or orders.

4. Without limiting the foregoing, this indemnification obligation includes payment of all costs of any investigation of site conditions, or any cleanup, abatement, remediation, removal or restorative work required by the Agreement, or by any federal, state, or local government agency with appropriate jurisdiction because of hazardous substances or present in the soil or groundwater on or under the Premises or other affected properties.

B. Insurance

1. At no expense to the State, the Concessionaire will secure and keep adequate insurance in force during this Agreement to protect the State and the Concessionaire. Where specific limits are stipulated, they are the minimum acceptable limits. If the Concessionaire's insurance policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.

a. Commercial general liability insurance with coverage limits not less than \$1,000,000 combined single limit per occurrence where generally applicable, including in-terminal operations, independent contractors, products and completed operations, broad form property damage, blanket contractual, and personal injury endorsements.

b. Worker's compensation insurance with coverage for all employees engaged in work under this Agreement as required by AS 23.30.045. The

Concessionaire is responsible for worker's compensation insurance for any subcontractor who directly or indirectly provides services under this Agreement.

c. Comprehensive automobile liability insurance covering all owned, hired, and non-owned vehicles used in connection with this Agreement, with coverage limits not less than \$500,000 per person, \$1,000,000 per occurrence, and \$100,000 property damage.

2. By no later than the Facility Opening Date, the Concessionaire will provide the State with proof that it will have continuous insurance coverage in the form of an insurance policy or a certificate of insurance, together with proof of premium payment. All insurance required by this Article must meet the following requirements:

a. Name the State as additional insured for commercial general liability insurance.

b. Provide the State notification at least thirty (30) days before any termination, cancellation, or material change in insurance coverage.

c. Include a waiver of subrogation for worker's compensation insurance, auto liability, and all-risk property insurance so that the insurer waives all rights of subrogation against the State for payments made under the policy.

3. The insurance coverage requirement does not relieve the Concessionaire of any other obligation under this Agreement. The State may revise the amount or type of required insurance by written notice. The State will base any such revision on reasonable grounds.

ARTICLE XXI

CANCELLATION BY STATE

A. Breach of Agreement:

1. The State may cancel this Agreement and recover possession of the Premises by giving the Concessionaire thirty (30) days advance written notice if any of the following events occur, unless the breach is cured within the thirty (30) days:

a. The Concessionaire does not pay any rent, fee, penalty, or other charge when due under this Agreement.

b. Payment is returned for insufficient funds.

- c. The Concessionaire uses the Premises for purposes not authorized under this Agreement.
 - d. A petition in bankruptcy is filed by or against the Concessionaire.
 - e. A court enters a judgment of insolvency against the Concessionaire.
 - f. A trustee or receiver is appointed for the Concessionaire's assets in a proceeding brought by or against the Concessionaire.
 - g. A lien is filed against the Premises because of any act or omission of the Concessionaire and the lien is not removed, enjoined, or a bond of satisfaction of the lien is not posted within sixty (60) days.
 - h. The Concessionaire fails, without the State's advance written approval, to operate the business authorized under this Agreement on a continuous basis.
 - i. The Concessionaire does not meet any ACDBE requirement imposed by amendment as required by the FAA, without adequately documenting to the State's satisfaction its good faith efforts to do so.
 - j. The cessation or deterioration of any service that, in the State's determination, materially and adversely affects the service the Concessionaire is required to perform under this Agreement.
 - k. The Concessionaire does not perform any provision or covenant under this Agreement.
2. A cancellation notice issued by the State under this Article is stayed if, within the thirty (30) day notice period, the Concessionaire begins and continues expeditious action to cure the breach in the case of a breach that is not reasonably curable within thirty (30) days. The determination of "expeditious action" and "not reasonably curable" is at the State's sole discretion.
3. The Concessionaire will not construe any waiver by the State of any default on the part of the Concessionaire in the performance of any provision, covenant, or condition to be performed, kept, or observed by the Concessionaire as a waiver by the State at any time thereafter of any other default or subsequent default in performance of any provision, covenant, or condition of this Agreement. After a State waiver of default in one or more instances, the State is not required to provide notice to the Concessionaire to restore or revive time as of the essence under this Agreement. The waiver of any right or obligation under this Agreement is not effective nor binding on the Concessionaire unless it is in writing and signed on behalf of the State.

B. State's Right of Reentry: As an additional remedy, on giving written notice of cancellation, the State has the right to reenter any part of the Premises on the effective date of cancellation without further notice of any kind, remove any persons, and regain and resume possession with or without the institution of summary or legal proceedings or otherwise. Any reentry, however, will not in any manner affect, alter, or diminish any obligation of the Concessionaire under this Agreement.

C. Additional Rights of the State:

1. On or after termination or cancellation of this Agreement or on reentry, the State may regain or resume possession of the Premises, may occupy the Premises, and may permit any person, firm, or corporation to enter on and use the Premises. Others may occupy any part of the Premises or the entire Premises or a part of the Premises together with other space for a period of time the same as or different from the balance of the time remaining under this Agreement, and on terms and conditions the same as or different from those set forth under this Agreement.

2. The State may also repair or make any structural or other change in the Premises that are necessary, in the State's sole determination, to maintain the suitability of the Premises for uses similar to those granted under this Agreement without affecting, altering, or diminishing the obligations of the Concessionaire under this Agreement. The State will charge the Concessionaire the cost of these repairs and the Concessionaire will pay these charges within thirty (30) days of the billing date.

D. Ownership of Equipment and Improvements: If the State cancels this Agreement due to a Breach of Agreement as specified in Section A, above, all of the Concessionaire's title and interest in furnishings, fixtures, equipment, and improvements installed in the terminal under this Agreement vest in the State. The State may dispose of these items as it sees fit. However, in the event the State directs in writing that the Concessionaire remove all or specifically identified portions of the Concessionaire's installed furnishings, fixtures, equipment, and improvements, the Concessionaire shall do so at the Concessionaire's sole expense, and title to such property removed at the State's direction will not vest in the State.

E. Survival of Concessionaire's Obligations: If the State cancels this Agreement for cause due to a Breach of Agreement as specified in Section A, above, all of the Concessionaire's annual guarantee or percentage payment obligations under this Agreement will thereby immediately be accelerated and due without reducing any and all other damages to which the State may be entitled by law for the entire balance of the Base Term or extended term, as applicable, subject only to any obligation of the State to mitigate damages. The State may issue invoices for amounts due, reviewable only under the protest and appeal procedures of 17 AAC 42.910 and 17 AAC 42.920, and may maintain separate actions to recover any monies then due, or at its option and at any time, may sue to recover the full deficiency.

F. The damages for the time subsequent to cancellation includes the following:

1. The cumulative total of the Concessionaire's minimum annual guarantee obligation through the end of the Base Term or extended term, as applicable, less the amount paid before the effective date of cancellation.
2. Title to all furnishings, fixtures, equipment, and improvements as provided in Section D of this Article.
3. The amount by which the percentage fee under this Agreement, applied to the projected Gross Revenues that it is reasonably probable that the Concessionaire would have received during the balance of this Agreement if no cancellation had occurred, exceeds the annual guarantee obligation under paragraph 1 of this Section. However, the State will offset this amount by any fees the State receives from a succeeding Concessionaire. At the discretion of the State, the State may calculate the amount of projected Gross Revenues by dividing the Concessionaire's total Gross Revenues before cancellation by the total number of days the Concessionaire operated the business under this Agreement to determine average daily Gross Revenues. However, if the State determines that the Concessionaire has not been operating long enough in sufficient compliance with this Agreement to establish reasonable average daily Gross Revenues from compliant year-round operation, the State may use any other reasonable method to determine the same. In either case, the State will then multiply this average daily Gross Revenue amount by the number of days remaining through the last day of this Agreement.
4. The liquidated damages specified in this Agreement will apply for any unapproved closure of any Food and Beverage Facility before the effective date of cancellation.
5. The Concessionaire acknowledges that the damage calculation specified in paragraph 3 of this Section does not impair the State's right to damages if cancellation occurs before the Concessionaire receives any Gross Revenues under this Agreement.

F. Waiver of Redemption and Damages: The Concessionaire waives any right of redemption granted by or under any present or future law or statute if the Concessionaire is dispossessed for any cause, or if the State obtains or retains possession of the Premises in any lawful manner. The Concessionaire acknowledges that if the manner or method employed by the State to gain possession of the Premises gives rise to a cause of action in the Concessionaire for forcible entry and detainer under the laws of the State of Alaska, the total maximum amount of damages to which the Concessionaire may be entitled is the sum of one dollar (\$1). The Concessionaire also acknowledges that this provision may be filed in any action as its stipulation fixing the amount of damages to which it is entitled.

G. Surrender of Possession on Cancellation: The Concessionaire will yield possession of the Premises to the State on the cancellation date of this Agreement promptly, peaceably, quietly, and in as good order and condition as the same now or later improved by the Concessionaire or the State, reasonable use and wear-and-tear excepted. The Concessionaire will cooperate with the State and any replacement Concessionaire to facilitate an efficient transfer.

ARTICLE XXII

CANCELLATION BY CONCESSIONAIRE

A. The Concessionaire may cancel this Agreement by giving the State sixty (60) days' advance written notice if any of the following events occur:

1. The permanent abandonment of the Airport by all passenger airlines or the removal of all airline passenger service from the Airport for a period of at least ninety (90) consecutive days.
2. The lawful assumption by the United States government or its authorized agent, of the operation, control, or use of the Airport, or any substantial part of the Airport, that restricts the Concessionaire from operating its business under this Agreement for a period of at least ninety (90) consecutive days.
3. A court of competent jurisdiction issues an injunction that prevents or restrains the use of the Airport by all airlines provided the injunction remains in force for at least ninety (90) consecutive days.

B. The Concessionaire must, within a maximum of five (5) calendar days after the end of the Concessionaire's sixty (60) day advance written notice period, remove all of its personal property, equipment, furniture, and fixtures from the Premises. The Concessionaire acknowledges that as part of the consideration for this Agreement, all property remaining on the Premises after these five (5) calendar days becomes the sole property of the State, with full title vested in the State, unless the property is contaminated with any Hazardous Substance or is rejected by the State by written notice to the Concessionaire, or the property's automatic vesting would violate any applicable law or regulation. The State may remove, modify, sell, or destroy the property as it sees fit. The Concessionaire will pay the State for any cost the State incurs in property removal and disposal within thirty (30) days of the billing date. There will be no buy-out of any portion of Concessionaire's investment by the State in the event that this Agreement is cancelled by the Concessionaire pursuant to this Article.

ARTICLE XXIII
SUBSEQUENT CONTRACT AND TRANSITION SCHEDULE

A. Subsequent Contract Award: The Concessionaire acknowledges that on the expiration or cancellation of this Agreement, the State may award any subsequent Food & Beverage and Retail contract by any legal means then available to the State.

B. Transition Schedule at Expiration or Concessionaire Cancellation

1. The Concessionaire understands that it is neither practical nor possible for the State to predict the exact transition schedule and procedure to best serve the needs of the traveling public and the State at the expiration or Concessionaire cancellation of this Agreement.

2. The State will provide the Concessionaire a written notice of the intent to transition to a new concessionaire at least sixty (60) days before turning the business over to a succeeding concessionaire. This notification will be followed by a more detailed transition plan developed by the new concessionaire. The State will meet with the Concessionaire to discuss concerns or issues relating to the transition plan and its timing and implementation, but recognizing that some level of disruption is inevitable.

3. The Concessionaire will diligently execute the transition plan determined by the State and abide by its time schedule, and cooperate with the State and the succeeding concessionaire in carrying out the transition plan. In any dispute between the Concessionaire and the succeeding concessionaire during the transition period, the Concessionaire will abide by the decision of the State.

4. At the expiration of this Agreement, the State may, in any combination, assume title to, direct the Concessionaire to remove, or allow the Concessionaire to sell to the succeeding concessionaire, all or specified furnishings, fixtures, and equipment located in or on the Premises. The sale price shall be equal to any unamortized balances of the furnishings, fixtures, and equipment to be sold. For reimbursement and purchase issues covered by this Agreement, the Concessionaire shall amortize all furnishings, fixtures, and equipment over not more than a seven (7) year period using the straight-line method.

C. At the expiration of this Agreement, all fully amortized furnishings, fixtures, and equipment will vest in the State except for any furnishings, fixtures, and equipment the State directs the Concessionaire to remove or that is contaminated with a hazardous substance. If the Concessionaire does not remove any furniture, fixtures and equipment within five (5) calendar days after expiration if directed to do so by the State, the State may remove, sell, modify, or destroy these items as it sees fit. The Concessionaire will, within thirty (30) days after the State bills the Concessionaire, reimburse the State for any costs the State incurs in removal and disposal of any

furniture, fixtures and equipment that were removed by the State after Concessionaire's failure to do so.

ARTICLE XXIV **ASSIGNMENT OR SUBCONTRACT**

A. Prohibition: The Concessionaire will not mortgage, hypothecate, nor otherwise encumber, assign, or sublease the concession rights created under this Agreement, in whole or in part, without the advance written consent of the State under 17 AAC 42.260-42.275, as applicable. Any attempt to assign, sublease, mortgage, hypothecate, or encumber the concession rights in violation of this Article is void and will confer no right, title, or interest in nor to this Agreement, on any assignee, mortgagee, encumbrancer, pledgee, lienholder, subtenant, successor, or purchaser.

B. Approval by State: The Concessionaire will submit three (3) copies of any proposed assignment or subcontract to the State for advance written approval. Each copy must bear the original notarized signature of all parties. All covenants and provisions of this Agreement extend to and bind the legal representatives, successors, and assignees of the parties.

C. Merger, Consolidation, or Reorganization: The State will not withhold its consent to an assignment of this Agreement by the Concessionaire to a corporation that results from a merger, consolidation, or reorganization of the Concessionaire, to a corporation that purchases all or substantially all of the assets of the Concessionaire, or to any corporation that controls or is controlled by or is under common control with the Concessionaire, unless the State, in its sole reasonable judgment, determines the level of service under this Agreement will be diminished due to such assignment.

D. Transfer of Interest: For purposes of this Article, any single or cumulative transfer of more than fifty percent (50%) interest in a partnership, limited liability company or corporation is an assignment of an interest subject to approval by the State under this Article.

ARTICLE XXV **GENERAL COVENANTS**

A. Execution by State: This Agreement is not effective until signed by the Commissioner, Department of Transportation and Public Facilities, or a designated representative.

B. Notices: Either party will deliver any notice required under this Agreement either by hand, registered mail, certified mail, or by a reliable overnight delivery service to the appropriate party at the address on page one of this Agreement or to any other address that the parties subsequently designate in writing. All notice periods that begin by notice given by the State begin on the date the notice is mailed.

C. Modification: The Concessionaire acknowledges that the State may modify this Agreement to meet the revised requirements of federal or State grants, to operate the Airport, or to conform to the requirements of any revenue bond covenant to which the State of Alaska is a party. The State may make these modifications without formal amendment. However, a modification may not reduce the rights or privileges granted the Concessionaire under this Agreement or cause the Concessionaire financial loss. The parties may jointly modify the terms of this agreement, but may only do so based on a document signed by authorized representatives of both parties.

D. Interrelationship of Provisions: All provisions of this Agreement are essential parts of this Agreement and are intended to be cooperative, to provide for the use of the Airport, and to describe the respective rights and obligations of the parties to this Agreement.

E. Validity of Parts: The remaining parts of this Agreement continue in full force if any part is declared invalid by a court of competent jurisdiction.

F. Holding Over: If the Concessionaire holds over after this Agreement expires, the holding over does not operate as a renewal or extension of the rights granted under this Agreement, but, to the extent the State consents, creates a month-to-month tenancy, regardless of any payment accepted by the State. The Concessionaire's obligations to perform under this Agreement will continue until the State terminates the month-to-month tenancy. The State may terminate the tenancy at any time by giving the Concessionaire at least ten (10) calendar days written notice. Unless otherwise mutually agreed by both parties, payment for any holdover period shall be the same fee structure described in Article VI (Fees and Payments) of this Agreement.

G. Radio Interference: At the State's request, the Concessionaire will discontinue the use of any machine or device that interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated. The Concessionaire may not install or use wireless technology without the written consent of the State and the receipt of an approved Airport Building Permit.

H. National Emergency: The State is not liable for the inability to perform any part of this Agreement that results from national emergency declared by the federal government.

I. Surrender of Possession: The Concessionaire will yield possession of the Premises to the State on the date of expiration or earlier cancellation of this Agreement promptly, peaceably, quietly, and in as good order and condition as the same now or later improved by the Concessionaire or the State, reasonable use and wear-and-tear excepted.

J. No Waiver: If the State does not insist in any one or more instances on the strict performance by the Concessionaire of any provision or Article under this Agreement, it is not a waiver or relinquishment for the future, but the provision or Article will continue

in full force. The State's failure to enforce any provision or Article in this Agreement is neither an enforceable waiver nor subject to reasonable reliance by the Concessionaire unless it is expressly stated as a waiver in writing signed on behalf of the State.

K. Disasters: If, in the determination of the State, fire, flood, earthquake or other casualty damages the Airport so extensively as to render it untenable, either party may elect to terminate this Agreement on thirty (30) days written notice to the other party. If this Agreement is terminated because of a disaster, the State will prorate the fees payable under this Agreement up to the time the Airport becomes untenable.

L. Condemnation: This Agreement ends on the date the Concessionaire is required to leave the Airport if any proper authority condemns the Airport. The State is entitled to all condemnation proceeds. However, the State will pay the Concessionaire the portion of proceeds attributable to the fair market value of any unamortized improvements placed on the Airport by the Concessionaire, according to the provisions of the then current Alaska Administrative Code.

M. Quiet Enjoyment: The State covenants that it has full, unencumbered title to the Airport; that it has the right and lawful authority to execute this Agreement; and that the Concessionaire will have, hold, and enjoy peaceful and uninterrupted use of the Premises subject to any and all rights reserved or granted to the State under this Agreement.

N. Captions: The captions of the Articles and Sections of this Agreement are for convenience only and do not necessarily define, limit, describe, or construe the contents of any Article or Section. The use of the singular or plural form of words is intended to include the singular and plural, as appropriate.

O. Entire Agreement: This Agreement, including any amendment, constitutes the entire agreement between the parties. No modification or amendment of this Agreement is effective unless in writing and signed by both parties, except as stipulated in Section C of this Article.

P. Time: Time is of the essence in the performance of all rights and obligations of the parties to this Agreement.

Q. Interpretation: Both parties have had an opportunity to review this Concession Agreement, to suggest changes, and to consult with legal counsel before signing. The Agreement will not be interpreted in favor of or against either party.

R. General Subordination Clause: This Agreement is subject and subordinate to the provisions of any existing or future agreements between the State and the United States, the execution of which is or has been required as a condition precedent to the transfer of federal rights or property to airports for airport purposes, or to the expenditure of federal funds or passenger facility charges for State improvements, maintenance, or development. Concessionaire shall abide by requirements of agreements entered into

between the State and the United States, and shall consent to amendments and modifications of this Agreement if required by such agreements or is required as a condition of State's entry into such agreements.

S. Disability Laws and Accessibility Compliance: The Concessionaire shall comply and shall require its sublessees and contractors to comply and act in accordance with provision of the Americans with Disabilities Act of 1990 (the "ADA"), and federal regulations promulgated thereunder. With respect to any improvements Concessionaire constructs on the Premises, Concessionaire agrees to meet all the requirements of the ADA which are imposed directly on Concessionaire or which would be imposed on State as a public entity. Concessionaire agrees to be responsible for knowing all applicable rules and requirement of the ADA and to defend, indemnify, and hold harmless the State its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against the State as a result of any acts or omissions of Concessionaire or its contractors or agents in violation of the ADA.

IN WITNESS WHEREOF, the parties have set their hands the day and year stated in the acknowledgment below.

(If the Proposer is a partnership or joint venture, all general partners or ventures of the joint venture must sign. If the Proposer is a corporation, provide the signature of one or more authorized representatives as required obligating the corporation together with proof of authorization. If the Proposer is a limited liability company, provide the signature of the manager or, if there is no manager, provide the signature of a member of the company authorized to bind the company.)

(Corporate Seal if
a Corporation

@
Signature

Printed Name
Title: _____

@
Signature

Printed Name
Title: _____

@
Signature

Printed Name
Title: _____

@
Signature

Printed Name
Title: _____

@
Signature

Printed Name
Title: _____

NOTARIZE PAGE 50 (Copy and attach additional acknowledgment sheets as needed)

ACKNOWLEDGMENT

STATE OF _____)
)ss.
_____)
(Judicial District or County)

THIS IS TO CERTIFY that on this _____ day of _____, 201____, personally appeared _____, known to me to be the person named in and who executed the foregoing instrument, and who acknowledged before me that the foregoing instrument was freely and voluntarily executed with full authority for the uses and purposes set forth.

Notary Public in and for: _____
My Commission expires: _____

ACKNOWLEDGMENT

STATE OF _____)
)ss.
_____)
(Judicial District or County)

THIS IS TO CERTIFY that on this _____ day of _____, 201____, personally appeared _____, known to me to be the person named in and who executed the foregoing instrument, and who acknowledged before me that the foregoing instrument was freely and voluntarily executed with full authority for the uses and purposes set forth.

Notary Public in and for: _____
My Commission expires: _____

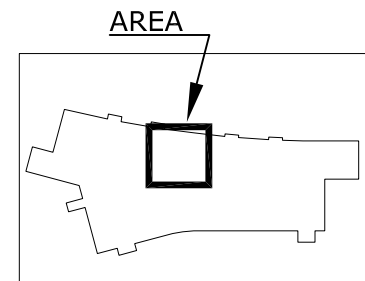
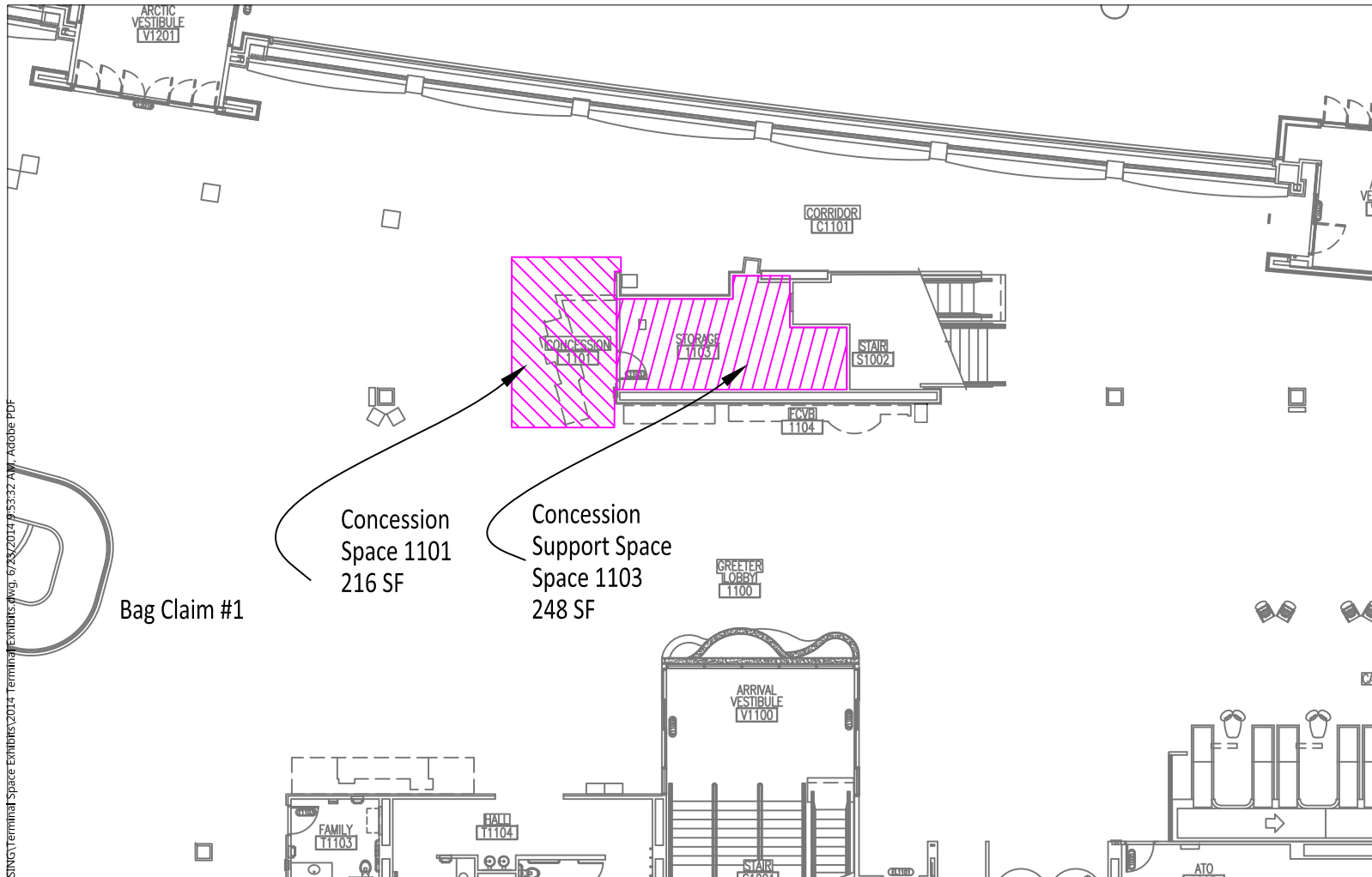
Entered into on behalf of the State of Alaska, Department of Transportation and Public Facilities, Fairbanks International Airport.

STATE OF ALASKA)
)ss.
Fourth Judicial District)

Theresa L. Harvey, Chief of Leasing

THIS IS TO CERTIFY that on this ____ day of _____, 201__, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, known to me and to me known to be the _____, Department of Transportation and Public Facilities, and who acknowledged before me that the foregoing instrument was freely and voluntarily executed on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes set forth and with full authority the State of Alaska to do so.

Notary Public in and for Alaska
My Commission Expires:



1st FLOOR AREA

1st FLOOR KEY PLAN

Y:\drawings\FAL LEASING\Terminal Space Exhibits\2014 Terminal Exhibits.dwg, 6/23/2014 9:53:32 AM, Adobe PDF

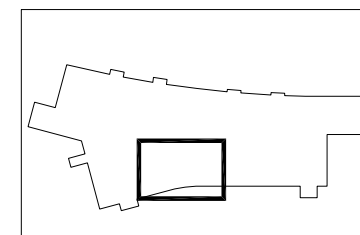
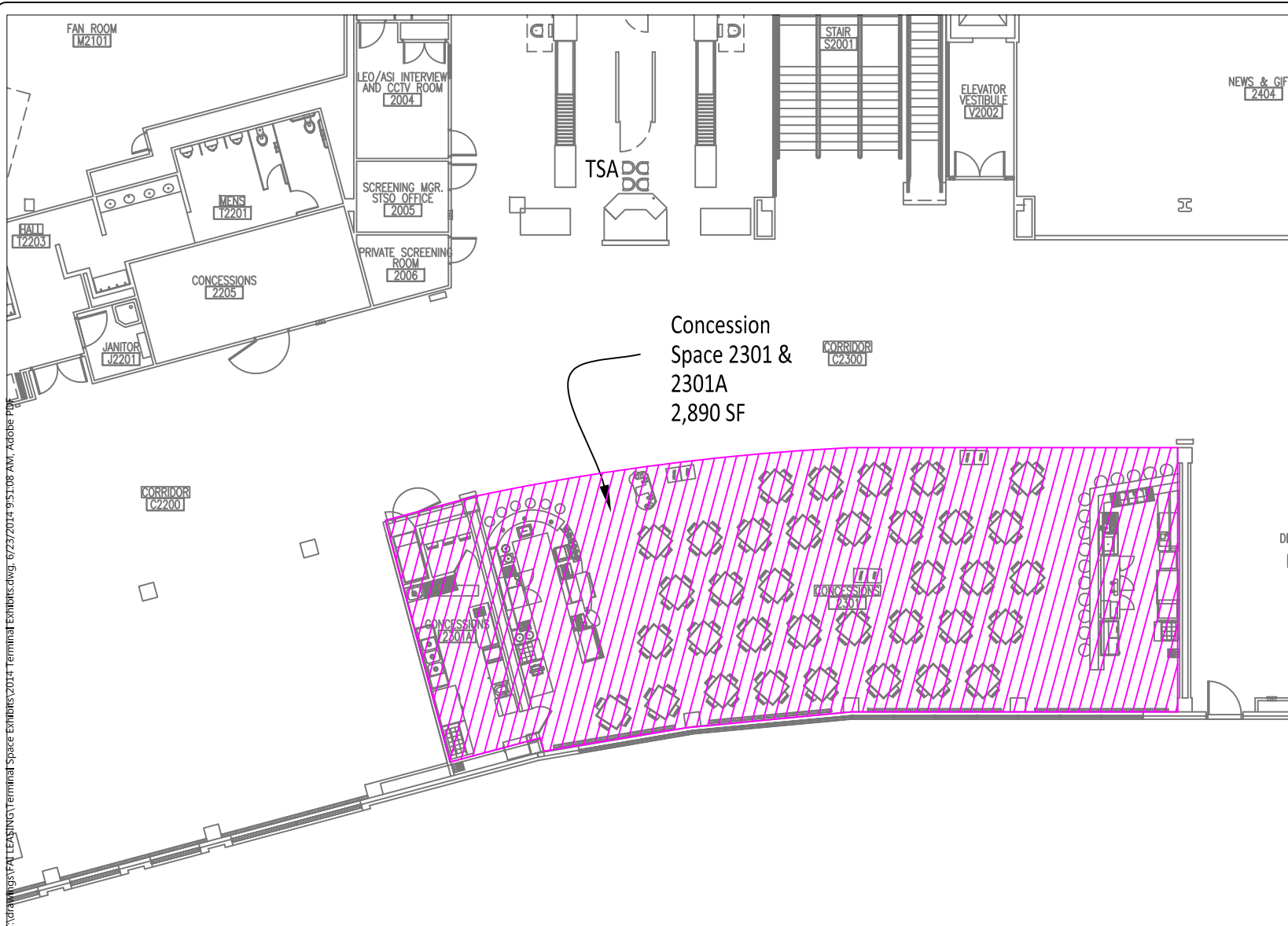
BY	DATE	REVISIONS

Terminal 1st Floor
 ADA 90759
 Concession Space 1101, 216 SF
 Support Space 1103, 248 SF

Exhibit A
 Food Beverage Retail Concession
 June 2014



SHEET
 1
 OF
 2



BY	DATE	REVISIONS

Terminal 2nd Floor
ADA 90759
Concession Spaces 2301 & 2301A, 2890 SF

Exhibit A

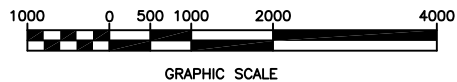
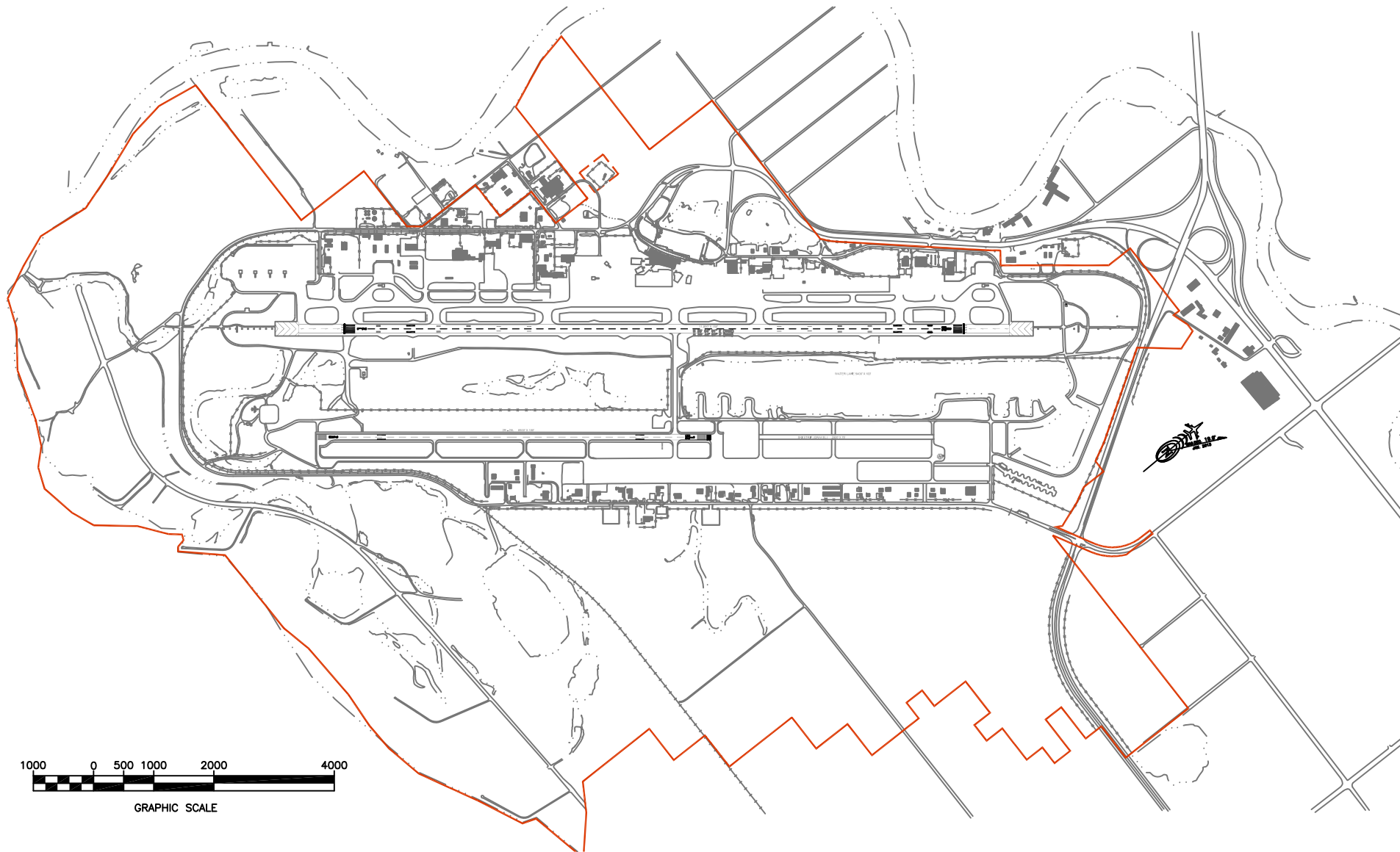
Food, Beverage Retail Space

June 2014



SHEET
2
OF 2

Y:\drawings\FAL LEASING\OA 2013\Property and cost center.dwg, 6/23/2014 9:57:28 AM, Adobe PDF



BY	DATE	REVISIONS			

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
FAIRBANKS INTERNATIONAL AIRPORT

Exhibit B
Property Boundary
June 1, 2014



SHEET
1
OF
1

Food and Beverage Concession Agreement ADA-90759**EXHIBIT C: CERTIFIED ACTIVITY REPORT****CONCESSIONAIRE: @**

Report for the period _____ to _____

MAG: For the first year of the Agreement, the minimum annual guarantee is \$115,762.00. After the first year of the Agreement, the Annual Guarantee will be adjusted each Agreement year to 85% of the prior years payments that would have been due the State if no Annual Guarantee existed, but in no event shall the Annual Guarantee be less than \$115,762.00.

Percentage Fee: Percentage Fees shall be calculated by multiplying the percentages listed below by the Gross Sales for each category of sales for the applicable month. Graduated percentage fees are based on year to date Gross Revenues.

Food & Nonalcoholic Beverages	16%	Up to 500,000
	14%	500,001-750,000
	12%	750,001 and up
Alcoholic Beverages & Coffee	18%	Up to 500,000
	16%	500,001-750,000
	14%	750,001 and up
Merchandise	18%	Up to 25,000
	16%	25,001-50,000
	14%	50,001 and up
Convenience Snack Products (Prepackaged foods and bottled or canned beverages)	50%	All sales

Upper Level

	Current Month's Gross Sales	Amount Due to the State
1 Food & Nonalcoholic Beverages	\$ _____	\$ _____
2 Alcoholic Beverages/Coffee	\$ _____	\$ _____
3 Merchandise (Concessionaire Branded Only)	\$ _____	\$ _____
4 Convenience Snack Products (Pre-packaged foods and bottled or canned beverages)	\$ _____	\$ _____

Lower Level

1 Food & Nonalcoholic Beverages	\$ _____	\$ _____
2 Alcoholic Beverages/Coffee	\$ _____	\$ _____
3 Merchandise (Concessionaire Branded, News, Gift)	\$ _____	\$ _____
4 Convenience Snack Products (Pre-packaged foods and bottled or canned beverages)	\$ _____	\$ _____
5 Total Gross Sales:	<u>0</u>	
Prior Year Same Month Total Gross Sales	\$ _____	
Total YTD Gross Sales	\$ _____	

Total Fees Due the State:

(a) 0

Monthly Amount Due Per Minimum Annual Guarantee:

(b) \$ _____

Amount Owed - Greater of (a) or (b):

\$ _____

I hereby certify that the above report is true and correct to the best of my knowledge and belief.

Signature: _____

Title: _____

Print Name: _____

(This report is due by the 20th day of each month for the previous month's activity.)

Exhibit D
Food and Beverage and Retail Facilities
Facility Opening Dates

Name of Concessionaire: @, ADA-90759

Upper Level Terminal – Food and Beverage and Retail Concession - Exhibit A (Space 2301 and Space 2301A – 2,890 square feet) dated June, 2014, Page 2 of 2

Contract Award: 09/18/14
Turnover Date: 09/19/14
Facility Opening Date: 12/01/14
Construction Completion Date: 03/01/15* (no later than w/o prior State approval)
Concept: Food & Beverage and Retail Concession

*Construction and transition plan as submitted in RFP, approved by State and coordination with outgoing Concessionaire through Facility Opening Date.

Lower Level Terminal – Food and Beverage Concession - Exhibit A (Space 1101 – 216 square feet) dated June, 2014, Page 1 of 2

Contract Award: 09/18/14
Turnover Date: 09/19/14
Facility Opening Date: 12/01/14
Construction Completion Date: 03/01/15* (no later than w/o prior State approval)
Concept: Food & Beverage and Retail Concession w/gift and news

*Construction and transition plan as submitted in RFP, approved by State and coordination with outgoing Concessionaire through Facility Opening Date.

Support Space – Premises provided for use to the Concessionaire for office, storage, preparation facilities, or other purposes other than sale of merchandise or food and beverages - Exhibit A (Space 1103 – 248 square feet) dated June, 2014, Page 1 of 2

Contract Award: 09/18/14
Turnover Date: 09/19/14
Facility Opening Date: 12/01/14
Construction Completion Date: 03/01/15* (no later than w/o prior State approval)

*Construction and transition plan as submitted in RFP, approved by State and coordination with outgoing Concessionaire through Facility Opening Date.

Exhibit E

<p style="text-align: center;">FAIRBANKS INTERNATIONAL AIRPORT FOOD AND BEVERAGE AND MERCHANDISE LISTS CONCESSION PROGRAM ADA-90759 – Concessionaire - @</p>

**SAMPLE FOR REFERENCE PURPOSES ONLY: FINAL EXHIBIT E TO BE
ADOPTED WITH REFERENCE TO THE SUCCESSFUL PROPOSAL**

I. EXCEPTIONS TO HOURS OF OPERATION

[to be negotiated]

II. UPPER LEVEL TERMINAL

Fairbanks International Airport (State) requires and @ (Concessionaire) will provide food and beverage items and State-approved Concessionaire branded merchandise items in the Upper Level of the Terminal as submitted and stated in Concessionaire's proposal, accepted by the State, and described below:

FOOD & BEVERAGE LIST

Breakfast

- Eggs
- Bacon, sausage, ham
- Breakfast burritos
- Pastries
- French Toast
- Breakfast Skillets
- Fresh fruit
- Yogurt parfaits

Lunch

- Burgers
- Nachos
- Pizza
- Onion Rings
- Fries
- Salads
- Hoagies
- Sandwiches
- Soups

Dinner

- Seafood
- Dinner Salads
- Fish and Chips
- Steak Sandwiches
- Pizza
- Wings
- Burgers
- Tacos
- Desserts

Beverages

- Branded Coffee, Coffee Drinks and Espresso
- Fountain drinks
- Juice
- Water
- Beer
- Wine
- Mixed alcoholic drinks

BRANDED MERCHANDISE ITEMS

- Hats
- Sweaters
- Jackets
- Mugs
- Magnets
- Bottle and can openers

III. LOWER LEVEL TERMINAL

Fairbanks International Airport (State) requires and @ (Concessionaire) will provide some food and beverage items, news and gift items and branded merchandise items in the Lower Level of the Terminal as submitted and stated in Concessionaire's proposal, accepted by the State, and described below.

FOOD AND BEVERAGE LIST

- Pre-packaged sandwiches
- Pre-packaged pastries
- Fresh fruit
- Fountain Soda
- Branded Coffee and Espresso

CONVENIENCE SNACKS, BEVERAGES, NEWS & GIFT ITEMS

- Assorted chips
- Assorted candy bars and gum

- Newspapers
- Magazines
- Bottled Water
- Canned or bottled sodas

BRANDED MERCHANDISE ITEMS

- Hats
- Sweaters
- Jackets
- Mugs
- Magnets
- Bottle and can openers