

Restaurant Concession Agreement Between
Yuma County Airport Authority, INC.



and

Company Name

For the Operation of a Restaurant Concession at
Yuma international airport

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THIS CONCESSION AGREEMENT (hereinafter referred to as “Agreement”) is effective on the 15th Day of March 2011 by and between the Yuma County Airport Authority, INC. (hereinafter referred to as “Authority”), having an office at 2191 East 32nd Street, Suite 218, Yuma, Arizona 85365, and NAME (hereinafter called the “Concessionaire”), having an office and/or principal place of business at 2191 E 32nd St., Suite 137.

WITNESSETH:

WHEREAS, it is the desire of the Authority to have located on the Yuma International Airport (hereinafter called the “Airport”) a Restaurant Concession (hereinafter called “Concession”) operated by an entity or entities other than the Authority; and

WHEREAS, the concessionaire submitted a proposal on MMMDDYY to operate a restaurant concession in the Authority’s terminal building at the Airport; and

WHEREAS, the Authority has determined that the Proposal of the Concessionaire meets the Authority’s needs for the Airport and the Authority has selected the Concessionaire as the Restaurant Concession at the Airport, all in accordance with this Agreement, and the specific commitments and undertakings of the Concessionaire in its Proposal; and

WHEREAS, it is the desire of the Concessionaire to operate the Concession in accordance with the terms and conditions hereof and of its Proposal;

NOW, THEREFORE, for and in consideration of the fees and charges herein reserved, and of the covenants and agreements herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

Section 1 Premises

The Authority hereby grants to the Concessionaire the use of the Premises, as described in Exhibit “A”, which is incorporated herein by reference the same as if fully copied and set forth at length, including any improvements existing thereon, or to be made thereon, for purposes set forth herein. The Concessionaire agrees to take the Premises for its use, subject to the terms and conditions set forth herein.

Section 2 Term

See attached Exhibit “B,” which is incorporated herein by reference the same as if fully copied and set forth at length.

Section 3 Rentals, fees, accounting records, and audit

Subsection 3.01 – Concession Payments

1. Concessionaire shall pay to Authority for the use of Premises on a monthly basis in the amount of five percent of Gross revenue of the previous month. Gross revenue is defined as all revenue taken in by the restaurant and all associated activities, including vending machines, game machines, magazine and books sales and any other revenue generated through the use of the facility whether or not the actual sale or delivery of product takes place in the terminal building. In addition, gross revenues shall also include and any all “facility fees” or other charges designed to pass along the cost of using the facility.

2. Time. The first of such payments shall be due and payable on the First day of April 2011, and subsequent payments shall be due and payable on the First Day of each succeeding month thereafter during the term of this Agreement. Each payment will be accompanied by the State's monthly sales tax report.
3. Place of Payment. All such payments shall be made at the address shown in Exhibit F.
4. Subsequent increases in concession amounts: None
5. If it is determined, for any calendar year during the Term, that the Concessionaire shall have over or underpaid its obligations pursuant to this Agreement, the appropriate party shall pay or refund the excess or underpayment, within ninety (90) days. Any changes made to amounts previously reported shall be detailed in writing and submitted to the Authority.

Subsection 3.02 – Terminal Parking Lot

The Concessionaire's guests, customers and invitees shall pay the normal Airport charge as may be applicable to obtain access to, and egress from, public parking at the Airport. The Authority reserves the right to adjust Access and Egress Fees from time to time and in its sole and absolute discretion, and Concessionaire's guests, customers, and invitees shall be bound thereby.

Subsection 3.03 – Parking Validation

It is recognized that the Concessionaire may wish to validate parking for customers and that the Authority has in fact arranged for the Concessionaire to receive validation stickers from Republic Parking Systems for a period of one year. This accommodation is being provided by Republic Parking System, the performance of which is out of the control of the Authority. Concessionaire shall only validate parking for purchases of \$6.00 or more and for parking of less than 4 hours.

Subsection 3.04 – Accounting Requirements/ Reporting

- a) The Concessionaire shall maintain complete and accurate accounting records of the food service operations in accordance with the Concessionaire's established commercial accounting and practices in order to meet the financial requirements as stated herein.
- b) The Concessionaire shall submit to the Airport, within fifteen calendar days after the end of each month, an accounting of the daily gross receipts for that period, and at the request of the Airport, make the supporting cash register tapes available for examination.
- c) All food service sales shall be recorded through the electronic cash register system, and the Concessionaire will retain the original tapes.
- d) The Concessionaire shall keep full and accurate books and records showing all of its Gross Receipts, including State of Arizona sales tax returns. The Concessionaire hereby agrees that all such books and records will be made available to the Authority at the Premises, or at the Authority's offices upon reasonable notice, for at least a three-year period, which requirement shall survive the expiration or Termination of this Agreement.

Subsection 3.05 – Late Payment

- a) If Concessionaire does not make any payments when required, the Authority may assess a daily late charge in accordance with the Authority's then current policy concerning late payments. The charge for a late payment is due and payable on each day that the charge accrues, without demand. In the case of a good faith dispute as to the amount to be paid, the Authority shall accept the sum tendered without prejudice and, if a deficiency is determined, the penalty shall apply only to the deficiency.
- b) Any and all charges provided herein, for which a time of payment by the Concessionaire has not been specifically provided, shall be deemed due and payable within fifteen (15) days after the receipt of the Authority's invoice by the Concessionaire.

Subsection 3.06 – Permits and Licenses.

- a) In performance of work under this contract, the Concessionaire shall, without additional expense to the Airport, be responsible for obtaining any necessary licenses and permits and for complying with any Federal, State, and municipal laws, codes and regulations applicable to the performance of the work.
- b) Within ten days of the start of the Agreement, the Concessionaire shall apply for and maintain a state liquor license that covers the Agreement areas of the first floor and the entire second floor of the airport. Passenger waiting areas, other than those mentioned above, are not to be included in the liquor license. It is the responsibility of the Concessionaire to enforce customer compliance of these limitations.

Subsection 3.07 – Annual Certified Statement

Within ninety (90) days after the end of each calendar year during the Term, the Concessionaire shall provide a written statement to the Authority, from an independent Certified Public Accountant, or a sworn statement from the Concessionaire's chief financial officer, listing Gross Receipts for such year and stating that in the Accountant's opinion the Gross Receipts reported, and the payments and other fees paid by the Concessionaire to the Authority during the preceding calendar year were made in accordance with the Terms of this Agreement.

Subsection 3.08 – Audit

The Authority reserves the right to audit the Concessionaire's books and records of Gross Receipts, to verify the Gross Receipts hereunder, for any period within three (3) years prior to the audit. If, as a result of the audit, it is established that the Concessionaire has understated the Gross Receipts by three percent (3%) or more for any calendar year, the entire expense of the audit shall be borne by the Concessionaire. Any additional payments found due by the audit shall forthwith be paid by the Concessionaire to the Authority in accordance with the Authority's policy concerning late payments.

Subsection 3.09 – Quality Control

- a) The Concessionaire shall develop, implement and adhere to a quality control plan to include customer surveys. Upon commencement of the contract, the Concessionaire shall provide the Airport with a copy of the quality control plan. Documentation of quality inspections shall be kept onsite and made available for review by the Airport.

- b) The Concessionaire shall ensure that the quality control plan includes a process for documenting customer complaints, and the timely response to those complaints. The Concessionaire's on-site manager or a designee shall be responsible for maintaining onsite records of receipts, documentation of customer complaints and the corrective action taken.
- c) The Airport will evaluate the performance of the Concessionaire throughout the term of the contract. The evaluations may be used to determine suitability for continuing the services under the contract. The Concessionaire will have the opportunity to review and comment on the evaluations.
- d) The Concessionaire must correct deficiencies in a timely period specified by such inspections or written justification for an extension of not more than one (1) full day.
- e) The Airport shall have the right to send its representative into all areas under Concessionaire operation.
- f) The Concessionaire shall ensure that the required services meet the quality standards outlined herein. All work performed under this contract shall be highest quality, consistent with best industry practices, to assure timely provision of services, optimum tenant agency satisfaction, and adequate protection of Airport assets. Failure to meet these standards may result in the early termination of the contract as explained in the "Termination" paragraph.

Subsection 3.10 – Financial Provisions

- a) All proceeds from cafeteria services, catering and vending services belong to the Concessionaire. b) The Concessionaire agrees to bear the costs and expenses of maintaining the Airport food services inventory of china, small wares, flat wares, trays, tray drop racks. c) In consideration for the Concessionaire's use of the food service facilities, the Concessionaire will pay the Airport 5% of their gross revenue on a monthly basis, and the Concessionaire will maintain accurate records reflecting this. d) The Concessionaire shall maintain a consistent accounting method of sales reporting based on the Concessionaire's established commercial accounting practice to assure that all revenue received from any source is immediately recorded through the electronic cash registers. f) No funds of the Airport shall become due or be paid to the Concessionaire because of this contract.

Subsection 3.11 – Personnel

To facilitate contract administration and inspection by representatives of the Airport Director, the Concessionaire shall, five days prior to the contract starting date, submit in writing, to the Airport Director, the names and home telephone numbers of at least two representatives who are authorized to act for the Concessionaire for the day to day operations and 24 hours for emergency situations, one of which shall be the General Manager.

Section 4 Concessionaire's Uses, Privileges, Obligations, and Restrictions

Subsection 4.01 – Airport Minimum Standards and Standard Table of Rates and Charges

- 1. The Authority maintains the Airport's Minimum Standards that includes the Airport's Standard Table of Rates and Charges. The Minimum Standards apply to Aeronautical and Commercial Activities at the Airport.

2. The Minimum Standards establish airport policies, procedures, and many basic rules and regulations. The Airport's Standard Table of Rates and Charges establishes minimum charges, rental rates, service charges and fee schedules that are applicable to Airport Agreements, permits and other Airport commercial activities.
3. Periodic revisions to the Minimum Standards and Table of Rates and Charges are necessary to reflect changes in the community, the airport and its tenants. They are not intended to be all-inclusive. As deficiencies are identified, corrections and updates will be made and distributed via the Airport web site. Any changes to the Minimum Standards or the Airport's Standard Table of Rates and Charges are applicable to this Agreement upon publication.

Subsection 4.02 – Use of Premises

For and in consideration of the payment of the fees and charges provided hereinafter, the Authority hereby grants to the Concessionaire, subject to all of the terms, covenants, and conditions of this Agreement, the right and obligation to occupy, the Premises. The Premises shall be used only for the purposes specified in this Agreement and no others whatsoever.

Subsection 4.03 – Non-exclusive Rights

The Concessionaire shall have the non-exclusive right, in common with other concessionaires so authorized by the Authority, for the operation of a Restaurant Concession within the Terminal Building. The Authority may, in its sole discretion, allow additional operators of businesses located off-airport to pick up and deliver product to the Airport, all under terms and conditions determined by Authority, without the Authority being deemed in breach of this Agreement.

Subsection 4.04 – Disadvantaged Business Enterprise Commitment

This Agreement is subject to the requirements of the US Department of Transportation regulations, 49 CFR Part 23F. The Concessionaire agrees that it will not discriminate against any person because of race, color, national origin or sex in connection with the award or performance of any concession agreement covered by 49 CFR Part 23F.

The Concessionaire shall provide the maximum opportunity for direct Disadvantaged Business Enterprise (DBE), as defined by the FAA, participation in the management and operation of the concession business herein authorized.

Subsection 4.05 – Subordination of Agreement

It is mutually understood and agreed that this Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States of America, the State of Arizona, its Counties, Agencies, Commissions and other governmental agencies, relative to the operations or maintenance of the Airport, the Execution of which has been, or may be, required as a condition precedent to the development or operations of the Airport.

Subsection 4.06 – Additional Services

The Concessionaire shall, upon receipt of written demand from the Authority, provide for the provision of services of a nature customarily provided in airport concessions similar to that contemplated herein, that the Authority may determine necessary.

Subsection 4.07 – Capital Investment

No capital investment in improvements is required. Any renovations of Premises shall be approved in advance, in writing by the Authority

Section 5 Prohibited Acts and Unusual Risks

Subsection 5.01 – Prohibited Acts

The Concessionaire shall not:

- A) Commit any nuisance on the Premises, or any other portion of the Airport, or do or permit to be done anything which may result in the creation or commission of such nuisance;
- B) Cause or produce or permit to be caused or produced upon the Premises or to emanate therefrom any unusual, noxious, or objectionable smokes, gases, vapors, or odors;
- C) Use, or permit to be used, the Premises for any illegal purpose;
- D) Do, or permit to be done, anything which may interfere with the effectiveness or accessibility of existing and future utilities systems, or portions thereof, on the Premises or do or permit to be done anything which may interfere with free access and passage in the Terminal Building or in the streets and sidewalks adjacent to the Terminal Building;
- E) Do, or permit to be done, any act or thing upon the Premises which will invalidate or conflict with any fire insurance policies covering the Premises or any part thereof, or which, in the opinion of the Authority, may constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated herein;
- F) Divert, or cause to be diverted, any business to be provided under this Agreement, so as to avoid payment of Percentage Fees provided herein;
- K) Store or use in or about the Premises any hazardous substances, of any nature whatsoever, without the advance written approval of the Authority.

Subsection 5.02 – Unusual Risks

The Concessionaire shall, subject to and in accordance with the provisions herein, make all non-structural improvements, alterations, or repairs of the Premises and improvements thereto that may be required at any time hereafter by any rule, regulation, requirement, order, or direction of any board or organization with authority to do so. If by reason of any failure on the part of the Concessionaire to comply with the provision of this subsection, any fire insurance rate on the Premises or the Terminal Building and improvements thereto shall at any time be higher than it otherwise would be, then the Concessionaire shall pay the Authority, upon demand, that part of all fire insurance premiums paid by the Authority which shall have been charged because of such violation or failure of the Concessionaire.

Section 6 Construction

Subsection 6.01 – Construction by the Concessionaire

The Concessionaire shall not erect any structures, make any improvements or modifications, or do any other construction work on the Premises, or alter, modify, or make additions,

improvements, or repairs to or replacements of any structure now existing or built, or install any fixtures (other than trade fixtures, removable without permanent injury to the Premises or improvements thereon) without prior written approval of the Authority.

In the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, or in a different manner than approved, it shall be a material breach of the Agreement.

Any construction approved shall be in accordance with the Airport Minimum Standards.

Subsection 6.06 – Signs

The Concessionaire shall submit to the Authority, for its approval, the size, design, content, and intended location of each and every sign it proposes to install on the Premises, and that no such signs shall be installed on or within the Premises without the specific prior written approval of the Authority as to the size, design, content, and location.

The Authority's approval is specifically understood to include approval of advertising and promotional materials which the Concessionaire seeks to display anywhere within the Premises. The Authority shall not grant approval to advertising or promotional materials that are not directly related to the Concessionaire's business activities at the Airport, as authorized by this Agreement.

Section 7 Maintenance, Utilities and Repairs

Subsection 7.01 – Trash and Refuse

The Concessionaire shall provide for the adequate sanitary handling and removal of all trash and other refuse caused because of its operation of the Premises. The Concessionaire shall provide and use suitable receptacles, approved by the Authority, for all trash and other refuse. Piling of boxes, cartons, barrels or other similar items in or in view from a public area shall not be permitted.

Subsection 7.02 – Transporting Merchandise, Trash, etc.

In transporting merchandise, or products, trash, and refuse associated with operating the concession to and from the Premises, the Concessionaire shall use only carts, vehicles or conveyances that are approved by the Authority.

Subsection 7.03 – The Concessionaire's Maintenance Obligations

The Concessionaire shall be obligated, without cost to the Authority, to maintain the nonstructural portions of the Premises and every part thereof, including personal and trade fixtures, in good appearance and repair, and in a safe condition. The Concessionaire shall maintain, repair, replace, paint, or otherwise finish the Premises (including, without limitation thereto, wall coverings, partitions, floor coverings, ceiling tiles, windows, doors, and glass, and all furnishings, fixtures, and equipment therein, where installed by the Concessionaire or by the Authority) as determined necessary by the Authority. All of the maintenance, repairs, finishing and replacements shall be of quality at least equal to the original in materials and workmanship. The Authority shall be the sole judge of the quality of maintenance. The Authority, or its

authorized agents, may at any time, without notice, enter upon the Premises to determine if maintenance is being performed in accordance with this Agreement.

The Concessionaire shall furnish, at its sole cost and expense, such janitorial services as may be required to keep the Premises neat, clean and in first class condition at all times. Adequacy of such janitorial services shall be determined by the Authority.

Subsection 7.04 – The Authority’s Maintenance Obligations

The Authority shall provide structural maintenance of the Terminal Building, including the roof and flooring systems installed by the Authority, and the automobile parking area assigned to the Concessionaire, and shall maintain and repair the exterior walls of the Premises in the Terminal Building.

The Authority will assure the provision of mains reasonably necessary for the supply of utilities and the Concessionaire may require.

The Authority, its officers, employees, representatives and contractors may maintain the utilities and enter upon the Premises at all reasonable times to make the repairs, replacements, and alterations as may, in the opinion of the Authority, be deemed necessary or advisable, and from time to time, to construct or install over, on, in, or under the Premises new systems, pipes, lines, mains, wires, conduits, ducts, and equipment; provided, however, that the Authority shall exercise such right in a manner so as to interfere as little as reasonably possible with Concessionaire’s operations. The Authority shall, throughout the Term, use its reasonable efforts to maintain all roads on the Airport giving access to the Premises in good and adequate condition for use by cars and trucks and shall maintain free and uninterrupted access to the Terminal Building at all times over roads open to the public using the Airport.

Subsection 7.05 – Utilities

Normal utilities, as determined by the Authority in its sole discretion, shall be furnished by the Authority, and at no separate charge to the Concessionaire, and will be brought by the Authority to the perimeter of the Premises.

Section 8 Security Deposit and Liens

Prior to starting operations under this Agreement, the Concessionaire shall furnish to the Authority, a security deposit of one thousand dollars (\$1,000). The Authority may use the security deposit to cover any costs incurred in correcting any deficiencies in the event of any breach by the Concessionaire of any conditions of this agreement.

Section 9 Liens

The Concessionaire shall not allow any liens to attach to the Premises or any improvements thereon.

Section 10 Standards of Operation

Subsection 10.01 – Hours of Operation

Concession shall maintain operating hours that will ensure a high level of service to the traveling public as identified in Exhibit E - Performance Specifications. The Concessionaire shall also keep its facilities open for longer than normal in the case of delayed, off-schedule or charter aircraft operations.

Subsection 10.02 – Management

The management, maintenance, and operation of the Premises shall at all times during the term hereof be under the supervision and direction of an active, qualified, competent, and experienced personnel who shall be subject at all times to the direction and control of the Concessionaire. Such person shall be vested with full power and authority to resolve all matters dealing with the day-to-day operations of the concession. The Concessionaire shall cause the manager to be assigned a duty station or office in the Terminal Building, at which the manager shall be available during normal business hours. At such times as the manager is not present on the Premises, the Concessionaire shall assign a qualified subordinate to be in charge of the Premises, services and facilities, and to be available to act for the manager.

Subsection 10.03 – Personnel

The Concessionaire shall employ only such personnel as will assure a high standard of service to the public. All the personnel, while on or about the Premises, shall be clean, neat in appearance, uniformly attired (with appropriate identification badge displaying no less than the Concessionaire and employee name), and courteous at all times. No personnel employed by the Concessionaire, while on or about the Premises, shall: use improper language; act in a loud, boisterous or otherwise improper manner; or be permitted to solicit business in an inappropriate manner; or be permitted to solicit business in an inappropriate manner. Upon notification from the Authority as to the existence of any violations of the above criteria by one of its employees, the Concessionaire shall immediately take reasonable disciplinary measures, which may include discharge and recurrent training as the situation merits.

Subsection 10.04 – Nondiscrimination/Affirmative Action

The Concessionaire for itself, its personal representatives, successors in interest and assigns as a part of the consideration hereof does, hereby covenant and agree, as a covenant running with the land, that:

- (1) no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Premises,
- (2) in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination,
- (3) the Concessionaire shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation,

Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulations may be amended.

In the event of a breach of any of the above non-discrimination covenants, the Authority shall have the right to immediately, without notice, reenter the Premises, and the Premises, including all improvements thereto, shall thereupon revert to and vest in and become the absolute property of the Authority and its assigns.

This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise of expirations of appeal rights.

The Concessionaire assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E.

The Concessionaire assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by that Subpart.

Subsection 10.05 – Cash and Record Handling Requirements

The Concessionaire shall at all times observe revenue handling and record handling systems in accordance with its Proposal.

The Authority shall have the right to monitor and test all of the Concessionaire's services and controls by a responsible service. Where such services identify a material breach in the terms and conditions of this Agreement by the Concessionaire, the Concessionaire shall reimburse the Authority for the cost of such service.

Where investigations performed by or for the Authority establish that Gross Receipts are not being properly recorded by the Concessionaire, or its employees, the concessionaire shall pay to the Authority the amount that would have been due to the Authority, plus fifteen percent (15%). The Authority shall have the right to make a reasonable estimate of the losses that it has incurred.

Subsection 10.06 – Level of Public and Customer Service

The Concessionaire shall maintain and operate the Premises in a first-class manner at least equal to the highest standard of service rendered by similar concessionaires at other airports in the United States. The Concessionaire shall provide prompt and efficient service adequate to meet reasonable demand therefore.

Subsection 10.07 – Standards and Obligations

It is intended that the standards and obligations imposed herein shall be maintained or complied with by the Concessionaire, in addition to its compliance with all other applicable governmental ordinances, rules, or regulations, and, in the event that any of the laws, ordinances, rules or regulations shall be more stringent than the standards and obligations, the Concessionaire agrees to comply with such laws, ordinances, rules and regulations.

Section 11 Insurance

Subsection 11.01 – Insurance

Upon execution of this Agreement, the Concessionaire shall procure, or otherwise provide, for itself, and for any of its contractors or agents, the insurance set forth in the Airport's Minimum Standards.

Subsection 11.02 – Indemnification and Hold Harmless

Concessionaire shall protect, indemnify, and hold the Authority and its officers, agents and employees, harmless from and against any and all liabilities, losses, suits, claims, judgments, fines and demands arising by reason of injury or death or any person or damage to any property, including all reasonable costs from investigation and defense thereof (including but not limited to attorneys' fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to the Concessionaire's activities pursuant to this Agreement. Expressly included herein shall be all damages of an environmental nature in or about the Premises, caused by the Concessionaire, its agents, employees or contractors. This indemnification shall include the use and occupancy of the Premises and/or the acts or omissions of Concessionaire's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused by the gross negligence or willful misconduct of the Authority, its officers, agents, employees, contractors, subcontractors, licensees or invitees. The Authority shall give to Concessionaire reasonable notice of any such claims or actions. The provisions of this section shall survive the expiration or termination of this Agreement. The Concessionaire agrees to defend, at its own cost, and to protect, indemnify, and otherwise hold harmless, the Authority and its officers, agents and employees (including but not restricted to the posting of bond and release of attachment) from and against any and all claims in any way connected with or arising out of this Agreement and/or arising out of construction, repair, or maintenance work hereunder, or operation of the concession under this Agreement (including but not restricted to attachments, liens and/or levies, and whether or not the claim is meritorious) made, filed and/or asserted by any party other than the Concessionaire against the Authority its officers, agents and employees and/or the Premises or improvements thereon or part thereof, or monies owing to the Authority, or monies owing the Concessionaire for goods and services furnished in or from the Premises.

The Concessionaire shall give the Authority prompt notice of any matter covered hereby, and shall forward to the Authority copies of every demand, notice, summons, or other process received in any claim or legal proceeding covered hereby. Any payments made by the Concessionaire pursuant to this indemnification shall be in addition to any and all other remedies available to the Authority, and shall not be deemed the Authority's exclusive remedy.

Subsection 11.03 – Damage and Destruction

If all or a portion of the Premises, exclusive of the Concessionaire's improvements, are partially damaged by fire, explosion, the elements, the public enemy, or other casualty, but not rendered untenable, the same will be repaired with due diligence by the Authority at its own cost and expense subject to the limitations as set forth herein; provided, however, that if the damage is caused by the negligent act or omission of the Concessionaire, its agents, or employees, the Concessionaire shall be responsible for reimbursing the Authority for the cost and expenses

incurred in the repair. If such damages shall be so extensive as to render all or a portion of the Premises, exclusive of the Concessionaire's improvements, untenable, but capable of being repaired in thirty (30) days, the Premises shall be repaired with due diligence by the Authority as its own cost and expense, subject to the limitations as set forth herein, and the fees payable herein shall abate and the Concessionaire shall be responsible for reimbursing the Authority for the cost and expense incurred in the repair. In the event that all or a portion of the Premises, exclusive of the Concessionaire's improvements, are completely destroyed by fire, explosion, the elements, the public enemy or other casualty or so damaged that they are untenable and cannot be replaced for more than thirty (30) days, the Authority shall be under no obligation to repair, replace, or reconstruct the affected Premises, and fees payable hereunder shall abate as of the time of the damage or destruction and shall henceforth cease until the time the affected Premises are fully restored. If within six (6) months after the time of the damage or destruction the Premises shall not have been repaired or reconstructed, the Authority or the Concessionaire may cancel this Agreement as regards the affected Premises as of the date of the damage or destruction. Notwithstanding the foregoing, if all or a portion of the Premises are completely destroyed as a result of the negligent act or omission of the Concessionaire, fees shall not abate and the Authority may, in its discretion, require the Concessionaire to repair and reconstruct the affected Premises within six (6) months of the destruction and pay the costs therefore; or the Authority may repair and reconstruct the affected Premises within six (6) months of the destruction and the Concessionaire shall be responsible for reimbursing the Authority for the costs and expenses incurred in the repair.

The Authority agrees to use its best efforts to provide temporary facilities during any periods when the Premises, or any portions thereof, are unsuitable for carrying on the business contemplated herein.

It is understood that, in the application of the foregoing Subsections, the Authority's obligations shall be limited to repair or reconstruction of the affected Premises, where applicable, to the same extent and of equal quality as provided to the Concessionaire prior to its capital investment.

Subsection 11.04 – Damage or Destruction of Concessionaire's Improvements

Should the Concessionaire's improvements on the Premises, or any part of them, be destroyed or damaged, they shall in all instances be repaired or replaced by the Concessionaire whether or not the damage or destruction is covered by insurance, provided that this Agreement has not been canceled by the Concessionaire in accordance with the terms hereof. If, after restoration of the Premises by the Authority, the Concessionaire fails to repair or replace the damaged improvements subject to a schedule approved by the Authority, and provided that this Agreement has not been canceled by the Concessionaire, the Authority may make the repairs or replacement and shall thereafter be entitled to reimbursement from any insurance proceeds covering the loss. If the insurance proceeds are insufficient to cover the cost and expense of the repair or replacement, the Concessionaire shall pay the Authority the difference on demand.

Section 12 Premises and Services Acceptance

The Concessionaire unequivocally agrees that it will accept the Premises when delivered to the Concessionaire by the Authority in the condition stated below. Except as provided herein, the Authority shall not be obligated to provide any additional improvements or services of any type,

character or nature (including any utilities or telephone service) or to the Premises during the Term. The Premises will be delivered to the Concessionaire finished.

Section 13 Cancellation – Termination

Subsection 13.01 – By the Concessionaire

This Agreement may be cancelled by the Concessionaire at any time after the happening, and during the existence, of one or more of the following events:

- A) The permanent abandonment of the Airport or the permanent removal of all certificated passenger airline service from the Airport or the Terminal Building;
- B) The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof, in a manner as substantially to restrict the Concessionaire for a period of at least ninety (90) days from operating thereon;
- C) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and remaining in force of the injunction for a period of at least ninety (90) days;
- D) The default by the Authority in the performance of any covenant or agreement herein required to be performed by the Authority and the failure of the Authority to remedy the default for a period of sixty (60) days after receipt from the Concessionaire of written notice to remedy the same;
- E) Failure of the Authority to repair and reconstruct (or require the Concessionaire to repair and reconstruct) the Premises that are destroyed in accordance with the terms as set forth herein.

Subsection 13.02 – By the Authority

This Agreement may be canceled by the Authority, with ninety (90) days written notice, without regard to any specific breach of this Agreement by the Concessionaire, as the Authority may determine is necessary in the interests of national security. In this event, the Authority will buy out the Concessionaire's unamortized investment in Additions, and there shall be no further liability to the Concessionaire.

This Agreement may also be cancelled by the Authority, at any time, in the event the Concessionaire shall:

- A) Be in arrears in the payment of the whole or any part of the fees and charges due hereunder for a period of ten (10) days after receipt of written notice from the Authority of the failure, or
- B) Make a general assignment for the benefit of creditors, or
- C) Abandon the Premises or a substantial part thereof, or
- D) File a voluntary petition in bankruptcy, or
- E) Subject to the provisions of Subsection 11.04 herein, fail to repair or replace any improvements which have been destroyed by fire, explosion, etc., as required of the Concessionaire, or F) Default in the performance of any of the covenants and conditions

required herein to be kept and performed by the Concessionaire, including all provisions, terms, covenants, warranties, or representations contained in Concessionaire's Proposal, and the default continues for a period of thirty (30) days, or such other time as may be provided herein, after receipt of written notice from the Authority of the default; provided, however, that if the nature of the default is such that it cannot be cured within thirty (30) days, the Concessionaire shall not be deemed in default if it shall within the thirty (30) day period commence performance and thereafter diligently prosecute the same to completion.

Subsection 13.03 – Right of Entry upon Termination

In any case, in which provision is made herein for the termination or cancellation of this Agreement by the Authority, or in the case of abandonment of the Premises by the Concessionaire, the Authority in lieu of declaring forfeiture may enter upon the Premises. To such end, the Concessionaire hereby irrevocably appoints the Authority its agent to remove all persons or property from the Premises and place any property in storage for the account of and at expense of the Concessionaire. All property on the Premises is hereby subjected to a contractual landlord's lien, unless specifically waived by the Authority, to secure payment of delinquent fees and other sums due and unpaid under this Agreement, any and all exemption laws being hereby expressly waived in favor of such landlord's lien; and it is agreed that such landlord's lien shall not be construed as a waiver of any statutory or other lien given or which may be given to the Authority but shall be in addition thereto. It is agreed by Concessionaire that, in the event of default by Concessionaire hereunder, the Authority shall have the right, upon thirty (30) days prior written notice, to sell Concessionaire's property found on the Premises at a public or private sale with proceeds of the sale applied first to the cost of the sale, then to the cost of removing and storage of the property, if any, and then to the indebtedness of Concessionaire, with the surplus, if any, to be mailed to Concessionaire at the address herein designated. In such case, the Authority may use the Premises upon the terms as it may deem proper, and if a sufficient sum shall not be realized thereby after paying expenses of the use to satisfy the fees and other sums herein agreed to be paid by the Concessionaire, the Concessionaire hereby agrees to pay any deficiency. The Concessionaire further agrees to save the Authority harmless from any loss or damage or claim arising out of the action of the Authority in pursuance of this paragraph, except as claim caused by the gross negligence or willful misconduct of the Authority or its employees, agents, contractors or subcontractors.

Subsection 13.04 – Notice of Termination

If any of the events of default or breach enumerated herein shall occur, except as provided in Subsection 13.02 hereof, and after due notice the defaulting party has failed to cure or correct same, the complaining party may at any time after the expiration of any cure period, and if the default has not been cured, terminate this Agreement by notice in writing, the termination to be effective upon the date specified in the notice, which shall not be less than five (5) days from receipt of the notice.

Section 14 Property Rights upon Termination

Upon expiration or termination of this Agreement, the Authority shall have the right to require removal by the Concessionaire of all trade fixtures installed by the Concessionaire, and the

Concessionaire shall immediately remove the trade fixtures, including furnishings and equipment.

Section 15 Holding Over

Any holding over by the Concessionaire of the Premises after the expiration or other termination of this Agreement shall operate and be construed as a tenancy at sufferance with the fees and charges provided herein prorated by the day; and the Concessionaire agrees to surrender the Premises upon ten (10) days written notice.

Section 16 Redelivery of Premises

The Concessionaire shall, upon the expiration or termination of this Agreement quit and deliver the Premises to the Authority peaceably, quietly, and in as good order and condition as the same may be hereafter improved by the Concessionaire or the Authority, reasonable use and wear thereof excepted.

Section 17 Assignment and Subcontract

Except as explicitly set forth herein, the Concessionaire shall not assign, sell, convey, transfer, mortgage or pledge this Agreement or any part thereof without the prior written consent of the Authority. Any restrictions that form a part of any written Consent granted shall be deemed part of this Agreement.

In the event Concessionaire merges, consolidates, acquires, affiliates, or associates with any other person, company, corporation or other entity, or in any manner whatsoever either is bought by or buys another person, company, corporation or other entity, and such merger, consolidation, affiliation or association results in a change of control or management of the operations authorized herein, such merger, consolidation, affiliation, or association shall be considered as an Assignment of this Agreement by the Concessionaire requiring the prior approval of the Authority. Sale or purchase of stock by or of Concessionaire or sale or purchase of property or assets by or of Concessionaire shall not be deemed to be an Assignment of this Agreement in whole or in part unless said sale or purchase of stock, or sale or purchase of property by or of Concessionaire shall constitute fifty-one percent (51%) of the stock or assets of Concessionaire or of the stock or assets of such company, corporation, person or other entity bought, sold, merger, consolidated, acquired, affiliated, or associated with Concessionaire.

Section 18 Representatives of the Authority

The Authority may designate in writing certain of its employees to act in its behalf as its representatives. The designation will specify the matter or area in which the representative may act, and any action taken by the representative shall be deemed as the action of the Authority.

Section 19 Taxes and Licenses

The Concessionaire shall pay all taxes of whatever character, including ad valorem and intangible taxes, that may be levied or charged upon the Premises, improvements thereto, or operations hereunder and upon the Concessionaire's rights to use the Premises. The Concessionaire shall pay all sales taxes on its occupancy or use of the Premises whether the taxes are assessed against the Concessionaire or the Authority. The Concessionaire shall obtain and

pay for all licenses or permits necessary or required by law for the construction of improvements, the installation of equipment and furnishings, and any other licenses necessary for the conduct of its operations hereunder. The cancellation, suspension or revocation of any of the Concessionaire's licenses or permits shall be a material breach of this Agreement.

Section 20 Authority's Right to Transfer

The Authority reserves the right to transfer its interest and obligation herein to any other entity authorized by law to operate the Airport.

Section 21 Notices

Any notices required to be given herein shall be deemed to have been sufficiently given to either party for all purposes if delivered by certified mail, FedEx or similar provider, postage prepaid, addressed to those parties identified in Exhibit F, and shall be deemed effective upon receipt. Electronic delivery of documents with acknowledgement of such delivery by return email or fax is also considered sufficient notification.

Section 22 Agent for Service or Process

It is expressly agreed and understood that if the Concessionaire is not a resident of the State of Arizona, or is an association or partnership without a member or partner resident of the State of Arizona, or is a foreign corporation, then in any such event the Concessionaire designates the Secretary of State, State of Arizona, its agent for the purpose of service of process in any court action between it and the Authority arising out of or based upon this Agreement and the service shall be made as provided by laws of the State of Arizona for service upon a nonresident. It is further expressly agreed, covenanted, and stipulated that, as an alternative method of service, the Concessionaire may be personally served out of this State, by the registered or certified mailing of the complaint to the Concessionaire at the address set out in this Agreement and that the service shall constitute valid service upon the Concessionaire. It is further expressly agreed that the Concessionaire is amenable to and hereby agrees to the process so served, submits to the jurisdiction and waives any and all obligation and protest thereto, any laws to the contrary notwithstanding.

Section 23 Right to Amend

In the event that the FAA, or its successors, requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, the Concessionaire agrees to consent to the amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required to obtain the funds; provided, however, that in no event will the Concessionaire be required, pursuant to this paragraph, to agree to an increase in the fees and charges provided for hereunder or to a change in the use (provided it is an authorized use hereunder) to which the Concessionaire has put the Premises, or to a reduction in the size of the Premises.

Section 24 Aircraft Noise and Overflight

The Concessionaire recognizes that the Premises are located on an active airport, and, as such, are subject to aircraft noise, vibration, exhaust and overflight. The Concessionaire acknowledges that it realizes that such overflight, noise, vibration and exhaust may change during the term of this Agreement. The Concessionaire hereby release the Authority, the Federal Aviation Administration, the United States of America, the airlines operating at the Airport, and their respective officers, employees and agents, from any and all claims, demands, suits or causes of action for damages or injunctive relief arising out of, or in any way associated with, aircraft noise, vibration, and exhaust at, or aircraft overflight of, the Premises, it being understood that the release was a material inducement of the Authority's decision to grant the use of the Premises to the Concessionaire.

Section 25 Rights-Of-Way, Exclusions and Limitations

Subject to preserving the Concessionaire's rights under this Agreement, rights-of-way and/or other space over, under, or on the Premises necessary for heating, ventilation, air conditioning, utilities, and other reasonable building services are excluded from the Premises. In its use of such rights-of-way, the Authority shall use its reasonable best efforts to minimize interference with the Concessionaire's business.

Section 26 Security Regulations

The Concessionaire acknowledges that during the Term, the Authority, the FAA or other governmental agencies may impose security regulations applicable to the Airport that may change the manner in which the flow of persons and materials in and around the Premises takes place. The Authority hereby agrees that it will use its reasonable best efforts to insure that those changes have minimal effects on the Concessionaire's business, and will, if in its sole discretion warranted, renegotiate applicable changes in the fees and charges to be paid by the Concessionaire. The Concessionaire hereby agrees that it will make no claim of constructive eviction, or similar theory, or make any monetary or other demand of the Authority.

Section 27 General Provisions

Subsection 27.01 Mineral Rights

It is agreed and understood that all water, gas, oil and mineral rights in and under the soil are expressly reserved by the Authority.

Subsection 27.02 No Waiver of Forfeiture

Any failure or neglect of the Authority or the Concessionaire at any time to declare a forfeiture of this Agreement for any breach or default whatsoever hereunder shall not be taken or considered as a waiver of the right thereafter to declare a forfeiture for like or other or succeeding breach or default.

Subsection 27.03 Force Majeure

Neither the Authority nor the Concessionaire shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts,

labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control; provided, however, that these provisions shall not apply to failures by the Concessionaire to pay the fees and charges herein specified.

Subsection 27.04 Rules and Regulations

The Authority may adopt and enforce rules and regulations which Concessionaire agrees to observe and obey with respect to the use of the Premises and the Airport, and the health, safety and welfare of those using the same; provided that the rules and regulations shall be consistent with safety and with rules, regulations, and orders of the FAA with respect to aircraft operations at the Airport.

Should the Concessionaire, its agents, employees or invitees violate any law, rule or regulation of any governmental agency, and such violation shall result in a citation or fine to the Authority, then the Concessionaire shall fully reimburse the Authority for all costs and expenses associated therewith, including attorneys' costs.

Subsection 27.05 Headings

The titles and headings contained in this Agreement and the subject organization are used only to facilitate reference, and in no way define or limit the scope or intent of any of the provisions of this Agreement.

Subsection 27.06 Venue

Venue of any action brought under this Agreement shall lie in Yuma County, Arizona, exclusively, and any action shall be maintained in such County.

Subsection 27.07 Successors and Assigns

Subject to the limitations upon assignment and transfer herein contained, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

Subsection 27.08 No Third Party Benefit

No provision contained in or incorporated by this Agreement shall create or give to third parties any claim, or right of action, against the Authority, or the Concessionaire, beyond that which may legally exist in the absence of any such provision.

Subsection 27.09 Relationship of the Parties

It is expressly understood and agreed by and between the parties hereto that the Concessionaire is, and shall be, an independent operator responsible to all parties for its acts and omissions associated with its operations pursuant to this Agreement, and that the Authority shall in no way be responsible therefore. Nothing in this Agreement shall be deemed to constitute a partnership or agency relationship between the parties hereto.

Subsection 27.10 Disabled Persons

The Concessionaire agrees to comply with the Americans with Disabilities Act and all similar state, federal or local legislation, rules, regulations or ordinances.

Subsection 27.11 Authorship of Agreement

This Agreement, and its terms and conditions, shall not be construed for or against either party hereto by virtue of the authorship or drafting of the provisions hereof.

EXECUTED on behalf of the Authority by its President, on the _____ day of _____,

20____, with a seal affixed on the date indicated.

Yuma County Airport Authority, Inc.

Restaurant Concession

By: _____
William Gresser, President

By: _____
, Managing Member

Date: _____

Date: _____

ATTEST:
By: _____
Andrea Lopez, Executive Assistant

ATTEST:
By: _____

Exhibit A – Description of Property

These descriptions are the best-known descriptions, and are made in good faith and considered accurate for the purposes of this agreement. Any future discrepancies will be corrected with the written consent of both parties. Any such changes will not entitle either the AUTHORITY or the Concessionaire to any abatement or increase in rent or other related charges retroactively.

The property in this concession consists of areas within the Airport terminal building located at 2191 E 32nd Street, Yuma, Arizona. The premise includes the kitchen area including storerooms, a small office, a walk-in cooler and the dumb waiter. The dining area is outside of the kitchen area, and includes tables and chairs on a tile floor. The dining area is separated from the terminal lobby by a half-height wall. The premises also includes racks for mounting magazines, books etc. Areas for vending machines will be allocated from time to time by the Airport Director depending on airport operational requirements.

Inventory of Restaurant and Bar Ground Floor Restaurant Each

Inventory Description	Quantity
Wolf brand six row broiler – Gas	1
Wolf brand six burner stove top – Gas	1
Wolf brand “Regency” stainless grill – Gas	1
Pitco brand “Frialotor” deep fryer with drip collector	2
Scotsman brand ice machine	1
Walk-in cooler with Storage racks, Beer pump and regulators	1
Syrup soda dispensing racks with regulators	1
Traulsen brand stainless steel upright freezer with two doors	1
Traulsen brand stainless steel upright refrigerator with two doors	1
Victory brand upright stainless steel freezer with two doors	1
Frigidaire brand freezer with one door	1
Food warmers	4
Storage room shelving racks	7
Taylor brand “Taylormate” frozen yogurt machine	1
Superior brand large refrigerated display case	1
Superior brand reach in beer cooler	1
Nine row electric hot dog roller cooker	1
Menu master brand commercial microwave oven	1
Steel safe	2
Cash register	1
Credit card equipment	1
Large booths with table	6
Small booths with table	3
Square dining tables	11
Dining chairs without arms	34
Refuse cabinets	3
Condiment cabinet 1	

Figure 1 - Restaurant Area* First Floor

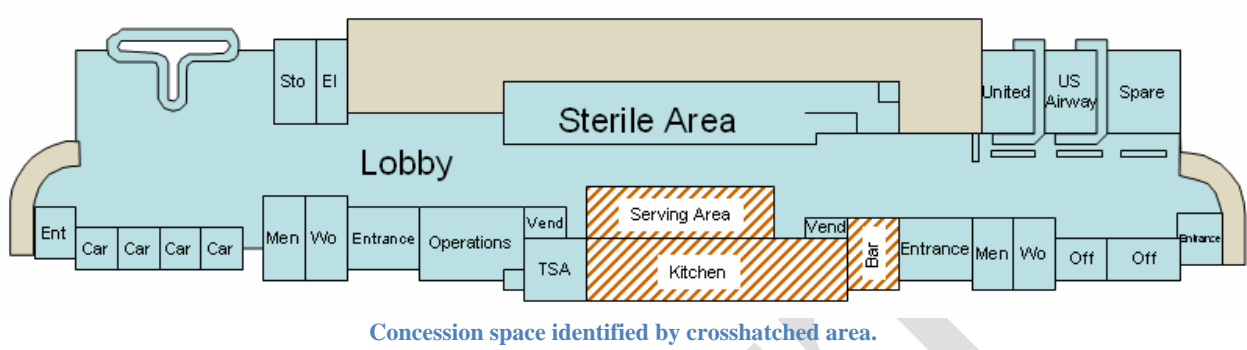


Figure 2 - Upstairs of Terminal Building (shall be included in liquor license)

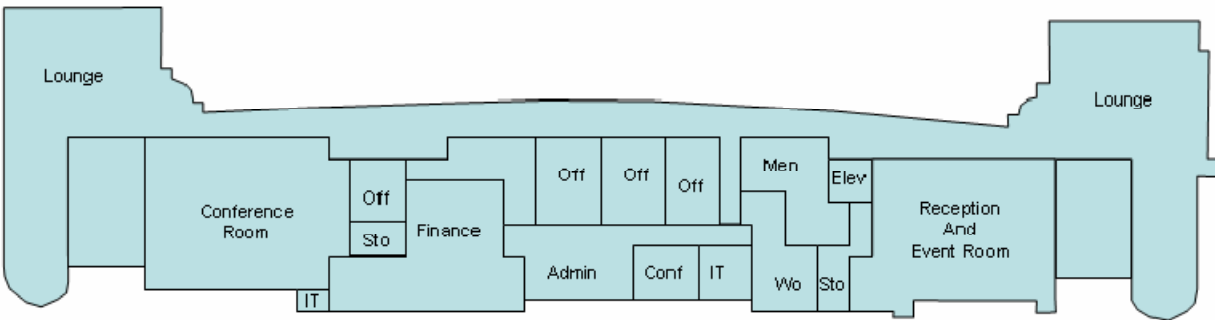


Exhibit B – Term of Agreement

This Agreement shall be binding upon the AUTHORITY and the Concessionaire upon its execution. Subject to the provisions hereof relating to cancellation and termination, or any “Special Requirements” in Exhibit “E,” the Term hereunder shall be as shown in the schedule below:

The concession is limited to one four-year period with no extensions.

If at the end of each four-year period it is the desire of both parties to renew this agreement, a new agreement shall be executed. If the concessionaire does NOT want to renew the agreement, then normal Termination procedures shall apply.

If the Airport wants to bid the concession agreement, a new solicitation shall be published. The Concessionaire shall have the right to compete for the concession at that time. During any bidding process, the Concessionaire shall faithfully execute the concessionaire's duties under this agreement until such time that a new concessionaire shall assume those duties under a new agreement.

Notice of its desire to extend or terminal the agreement at the end of each four-year period shall be given by the Concessionaire to the AUTHORITY in writing and not less than ninety (90) days before the end of the then current Term.

Exhibit C – Special Requirements

- 1) **NO WARRANTY.** The property is provided “as is.” The AUTHORITY gives no warranty, express or implied, as to the condition of the premises, or any improvements thereon, including warranty of habitability or fitness for a particular use, or as to the suitability of the premises for Concessionaire’s intended use(s).
- 2) **Security:** All Concessionaire’s employees, visitors and guests must comply with the Airport Minimum Standards including applying for and obtaining Airport Identification badges. This is mandated by regulations from the Department of Homeland Security. Any security requirement on the part of the Concessionaire or its agents that does not comply with the Airport Security Plan must first receive approval from the Department of Homeland Security/Transportation Security Administration and the AUTHORITY.
- 3) **Restaurant Performance Specifications and Service Levels:** Restaurant Performance Specifications are hereby included in this Agreement as “Exhibit G - Performance Specifications” which is incorporated herein by reference of the same as if fully copied and set forth at length.

DRAFT

Exhibit D – Points of Contact

To the AUTHORITY:

Airport Director
Yuma County Airport Authority, Inc.
2191 E. 32nd St., Suite 218
Yuma, AZ 85365
Ph: (928) 726-5882
director@yumaairport.com

To the Concessionaire:

Name
Address
CityStateZip
email@email.com

DRAFT

Exhibit E - Performance Specifications

- a) The Concessionaire will manage and operate, in the Concessionaire's name, the food service areas and facilities of the Airport Terminal Building. You may rename these facilities, as approved by the Airport Director, to suit your marketing plan. This includes:
 - a) Terminal Restaurants
 - b) Terminal Bar
 - c) Game Room
 - d) Vending Machines
- b) Vending Services: All food and beverage vending facilities located in the Terminal Building are included. Each vending machine shall have a sign posted on it that provides a phone number and Airport office location to report problems and obtain refunds. All vending machines must be kept filled and in working order.
- c) Catering: The Concessionaire shall provide periodic special services such as catering for specific conferences, meetings, or other affairs originating in the Airport Terminal Building. These events will be varied in frequency and types of food, ranging from simple coffee services to full food services and beverage functions. Creativity and quality are the key issues for catering at the Airport.
- d) Emergency Operations: The Concessionaire shall maintain an ability to respond with basic food services, such as sandwiches with hot and cold drinks, in the event of an emergency situation. When required by the Airport Director or Airport Operations Officer these provisions shall become the Concessionaire's First Priority, to be provided on call in quantities sufficient for up to 100 people. The Airport shall compensate the Concessionaire for these services at mutually agreeable rates.
- d) Normal Hours
 - 1) The main floor restaurant/snack bar shall have minimum hours to include being open and available to provide a full range of food and beverage service beginning 60 minutes prior to the first scheduled air carrier departure until the last scheduled air carrier departure of the day, seven days per week.
 - 2) The minimum hours of the Airport Bar will be from 11:00 am to 6:00 pm. In the case of flight delays, the Airport Bar will stay open to accommodate passengers as required.
 - 3) These hours may be increased if desired by the Concessionaire. Certain other functions on the premises may be conducted on irregular schedules.
- e) Uniforms
 - 1) While on Yuma International Airport premises for work related matters, all employees of Concessionaire shall wear a uniform shirt with a logo identifying the individual as an employee of the Concessionaire. The uniform shirt and logo are at Concessionaire's expense and in good taste as determined by the Airport.
- f) Payment Instruments
 - 1) Patrons can make purchases with cash or credit/debit card.
 - 2) Concessionaire will offer a 10% discount to Airport employees, contingent on presentation of a valid Airport Security Identification Badge. Cash registers shall be programmed to

automatically calculate this discount upon presentation of a Yuma International Airport Security Badge.

g) Liquor License

- 1) Concessionaire shall be required to obtain a liquor license from the State of Arizona and be ready to begin selling alcohol within 12 months from Notice of Award. The nature of the license shall be a class 12 “restaurant” unless the Authority consents in writing to another type of license.

Facilities Provided to the Concessionaire

- a) Terminal Building: Appropriate facilities will be provided for use by the Concessionaire and his employees during the term of the agreement. These facilities shall be returned to the Airport at the end of the agreement in the same condition as at the time of entering into the agreement with reasonable wear and tear.
- b) Fixtures and Equipment: The Airport will provide the Concessionaire with all equipment, fixtures, and articles currently located in the facility, including all dining room furniture and fixtures contained within. Equipment includes the cash registers (2) and the credit card processing machines (2).
- c) Small Wares: The Airport will also provide the current complement of china, glassware, stainless steel flatware, trays and other small-wares. Replacement of Small Wares. The Concessionaire shall provide replacement for all small wares that are owned by the Airport and made part of the opening inventory. These items shall be maintained at a level that ensures a high standard of uninterrupted service. At the termination of the contract, the Concessionaire shall be able to take all items in excess of the original small ware inventory.
- d) Service Access
 - 1) A dumb waiter elevator is designated for the non-exclusive use of the Concessionaire in transporting deliveries or other items between the ground floor and Airport Reception and Event Room in the Airport Terminal Building.
 - 2) The Concessionaire will be given access to the Airport Terminal Building loading entrance consistent with Airport security limitations for the purpose of accepting deliveries.
- e) Employee parking: Employees must park in the airport's employee parking lot and acquire security badges as defined in the minimum standards.
- f) Smoking Areas: The front of the terminal building is a Public Area and is NOT to be used for smoking or lounging.

Services Provided to the Concessionaire

- a) Utilities: The Airport will provide the following necessary utilities for the operation of the food service facilities: electricity, heat, air conditioning, hot and cold running water and ventilation. The Airport will not guarantee the uninterrupted provision of the above utilities and service except to insure that reasonable and diligent efforts will be pursued in restoring any interrupted service. The Airport will not be liable for product or revenue loss that may result from the interruptions or failure of the above services. Utilities will not include

telephone line charges for either telephonic communication or processing credit card transactions.

- b) Lighting: The Airport will provide all illumination in the food service areas to include replacing light bulbs in all light fixtures and required lamp replacement. If the Concessionaire installs new lighting to achieve a desired look, that lighting shall be the responsibility of the Concessionaire.
- c) Maintenance
 - 1) The Airport will make all repairs in the food service areas with respect to all the equipment, fixtures and facilities owned by the Airport. This DOES NOT include cook tops, electric appliances, deep fryer or cooking ventilation systems. The Concessionaire must take steps to ensure routine maintenance and cleaning of those systems. Inspection of those systems will be part of the Airport's quality control review process. The AUTHORITY will maintain the exterior roof mount unit of the walk-in cooler.
 - 2) The Airport recognizes the need to respond on a timely basis to food service maintenance requirements. Depending on the maintenance condition, the Airport will perform preventive maintenance, emergency maintenance and non-emergency maintenance as appropriate.
 - 3) The Airport is not responsible for product or revenue loss resulting from repair of equipment or property. The Concessionaire shall be responsible for the immediate communication of maintenance or repair conditions through the Airport's website, upon discovery.
 - 4) Damage or injury to any equipment, facilities or property of the Airport that necessitates major refurbishment resulting from negligence on the part of the Concessionaire shall be repaired or replaced to the Airport's satisfaction at the sole expense of the Concessionaire.

Services Not Provided to the Concessionaire

The Concessionaire shall make all telephone and line installations as required, at its own expense. Existing telephone lines required for the operation of existing credit card processing equipment shall remain in place and the accounts taken over by the Concessionaire. These lines and the related costs will then become the responsibility of the Concessionaire.

Complaints

The Concessionaire shall maintain a customer service system to record and monitor complaints from customers with an effective process for resolution and monitoring progress. Complaints involving the work performance of individual employees shall be considered in evaluating employee performance in accordance with the Concessionaire's policies and procedures for disciplinary actions. These Concessionaire policies and procedures shall address the disciplinary actions for deviations from service requirements, up to and including termination. The Airport Director or his agent shall have access to the record of complaints upon request.

Cleaning

The Concessionaire shall also adhere to the following standards and guidelines:

- a) Cleaning and appropriate housekeeping of the vending and alcove area of the snack bar shall be the Concessionaire's responsibility during the Flightline Cafe operating hours. The Concessionaire shall keep all eating areas during operation hours in a broom-clean condition
- b) The Concessionaire shall provide at its own expense trash and garbage containers with plastic liners in all food service areas. The food service Concessionaire is responsible for the daily cleanliness of both the Restaurant and Bar areas. All trash shall be dumped in the Airport provided dumpsters. All trash shall be sealed in appropriate trash bags before putting in the dumpster.
- c) Failure to keep any of the facilities in a clean and sanitary condition satisfactorily to the Airport may result in the authorization of cleaning of the facilities by other means and charging the cost of such work to the Concessionaire. Repeated failure to meet cleaning standards shall constitute a breach of this Agreement.
- d) The Airport does not provide any daily janitorial service for the restaurant dining area. The Concessionaire shall perform at least once a day, daily cleaning and vacuuming of floors and carpeting, including periodic steam cleaning.
- e) The Concessionaire will be responsible for all cleaning of areas behind the drop gates and the restaurant dining area at all times.
- f) The Concessionaire will also clean and maintain all vending and game areas.