Revenue Contract Solicitation (RCS)  
"Request for Proposals"  
Food and Beverage and Retail Concessions at Phoenix Sky Harbor International Airport Terminal 3 RCS AVN16-110

**PROPOSED SCHEDULE**

All dates are subject to change without prior notice. The City of Phoenix is not responsible for costs or losses incurred by any Respondent due to date changes.

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<th>EVENT SCHEDULE/ACTIVITY</th>
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<td>Publish RCS</td>
<td>May 18, 2017</td>
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<td>Pre-Response Meeting at 10:00 a.m.</td>
<td>June 1, 2017</td>
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<tr>
<td>Question Deadline: Submit Written Questions by 11:00 a.m.</td>
<td>June 26, 2017</td>
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<tr>
<td>Answer Deadline: Answers to Written Questions</td>
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<td>Solicitation Deadline: Submit Response by 11:00 a.m.</td>
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<tr>
<td>Evaluation of Responses</td>
<td>Aug 1 – Aug 31, 2017</td>
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<tr>
<td>Short-Listing, if necessary</td>
<td>Aug 31 – Sept 30, 2017</td>
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<tr>
<td>Respondent Interviews</td>
<td>October 2017</td>
</tr>
<tr>
<td>Award Recommendation to Phoenix City Council</td>
<td>January 2018</td>
</tr>
<tr>
<td>Commencement of Leases</td>
<td>February 2018</td>
</tr>
</tbody>
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Submit Responses and requests for alternate formats to:
Michael D. Hughes, Procurement Officer  
City of Phoenix Aviation Department Offices  
2485 E. Buckeye Road, Phoenix, AZ 85034-4301  
602-286-1271 (TEL)/800-781-1010 (TTY)  
busopps.aviation@phoenix.gov  
www.phoenix.gov/solicitations/493

This RCS does not commit the City to award any Lease.
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CITY OF PHOENIX
Aviation Department
Food and Beverage and Retail Concessions at PHX Terminal 3 RCS AVN 16-110

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Appendix B T3 Location Plan
Appendix C T3 Lease Outline Drawings (LOD), (Documents located at: www.phoenix.gov/solicitations/493)
I. INTRODUCTION

The City of Phoenix (City) Aviation Department (Aviation) is seeking Responses from qualified Respondents to operate Food and Beverage (F&B) and Retail (Retail) concessions, in Terminal 3 (T3) at Phoenix Sky Harbor International Airport (PHX). Each Successful Respondent will enter into a Concession Lease (Lease) with the City. Drafts of the Leases for both F&B and Retail can be found in Attachments C and D respectively.

There are 4 separate concession packages (Packages), two for F&B and two for Retail; consisting of approximately 55,164 square feet of total concession space. All 4 Packages are offered in this solicitation.

Respondents may respond to any or all Packages, however, Respondents may be awarded only 1 F&B Package and only 1 Retail Package.

PHX is the 11th busiest airport in the U.S. in terms of operations, serving over 43 million passengers through 3 terminals in calendar year (CY) 2016. More PHX statistics are available at https://skyharbor.com/About/Information/AirportStatistics.

City encourages competition in all of its solicitations. City’s desired outcomes from this solicitation process are to:

- Provide passengers with a mix of national, regional and local brands and concepts that reflect our region, address PHX’s consumer needs and preferences, and reflect current trends over the term of the lease;
- Optimize sales and rental revenues over the term of the lease;
- Increase opportunity for local and small business participation;
- Improve the quality and uniqueness of food and beverage offerings, and souvenir and gifts merchandise;
- Select Respondents, including their subtenant and/or joint venture partner(s) (if any), who have experience in the successful operation of retail or food and beverage concepts;
- Select Respondents based on the entire Response, not solely based on the highest projected gross sales and/or rental revenues; and
- Select Respondents based on a number of factors including Respondents’ ability to provide the highest quality customer service and goods and convenience to the traveling public, in addition to the expectation of reasonable rental revenues.

All Respondents must demonstrate not only retail or food and beverage experience and financial ability, but also creativity in proposing retail and food and beverage concepts that will enhance the customer experience in Terminal 3.
A. BACKGROUND

Terminal 3 is undergoing a modernization program that will enhance the customer experience for travelers by providing a more efficient way of getting through the terminal. The modernization is planned as three distinct phases to maximize flexibility and minimize impact to travelers. The completion of the project is expected in 2020. Currently, the terminal processor and the south concourse are under construction. The north concourse will be the final phase of the project. All the existing airlines in Terminal 2 (T2) will be relocated to the newly renovated T3.

The first phase, which opened in December 2016, consists of a new, consolidated security checkpoint, additional airline ticket counters, a Museum Gallery, and an outdoor area featuring native Arizona plants and a pet relief area. Future phases of the project will include new and expanded concession locations, additional baggage processing and claim carousels, and expanded curbs for customer drop-off and pick-up.

Upon completion, T3 is intended to serve existing T2 and T3 passengers. In 2016, combined enplanements were 3.6 Million. T3 will have two concourses.

Because of the modernization program, the City intends to phase implementation of the concession program with the modernization construction schedule.

Visit https://skyharbor.com/TerminalModernization for additional information on the T3 Modernization Project.

During the period May 2013 to April 2014, the City conducted market research among various user groups at PHX for concession planning purposes. There were several components to the research which included online surveys, passenger intercept surveys, operator interviews, and focus group sessions. More than 50,000 online and intercept surveys were collected from all 3 terminals during the market research period. The data from the overall process was used to identify passenger demographics and retail preferences, determine the key factors influencing passengers’ purchasing decisions, and formulate leasing strategies. The responses from the online and intercept surveys were very similar. A summary of the responses from Intercept Passenger Survey is posted at: www.phoenix.gov/solicitations/493

The City makes no representation or warranties, expressed or implied, as to the accuracy or relevancy of the statistical data listed below. These numbers are reported by the airlines and the Respondent assumes all risk associated with using the data, including its accuracy, relevance, and/or materiality to the formulation of its Response.
### Enplaned Passengers by Airline for Terminals 2 and 3
### CY 2013 through 2016 and YTD 2017

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<tbody>
<tr>
<td>Alaska</td>
<td>329,708</td>
<td>358,073</td>
<td>369,804</td>
<td>390,826</td>
<td>116,151</td>
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<tr>
<td>American Airlines (1)</td>
<td>702,257</td>
<td>134,725</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Boutique Air (2)</td>
<td>-</td>
<td>-</td>
<td>1,796</td>
<td>5,840</td>
<td>1,687</td>
</tr>
<tr>
<td>Continental (3)</td>
<td>141,492</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Delta Air Lines</td>
<td>1,252,628</td>
<td>1,272,154</td>
<td>1,375,635</td>
<td>1,387,462</td>
<td>368,901</td>
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<tr>
<td>Frontier Airlines</td>
<td>207,794</td>
<td>240,425</td>
<td>263,460</td>
<td>331,797</td>
<td>131,150</td>
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<tr>
<td>Great Lakes Aviation</td>
<td>10,545</td>
<td>5,221</td>
<td>3,125</td>
<td>3,498</td>
<td>535</td>
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<tr>
<td>Hawaiian Airlines</td>
<td>85,242</td>
<td>83,805</td>
<td>86,941</td>
<td>85,678</td>
<td>22,542</td>
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<tr>
<td>JetBlue Airways</td>
<td>89,070</td>
<td>87,722</td>
<td>91,037</td>
<td>93,954</td>
<td>21,459</td>
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<tr>
<td>MN Airlines dba Sun Country</td>
<td>28,971</td>
<td>29,840</td>
<td>38,747</td>
<td>59,216</td>
<td>33,632</td>
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<tr>
<td>Spirit Airlines</td>
<td>27,767</td>
<td>141,611</td>
<td>146,718</td>
<td>176,091</td>
<td>46,838</td>
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<tr>
<td>United Airlines</td>
<td>831,080</td>
<td>968,745</td>
<td>1,017,195</td>
<td>1,101,431</td>
<td>300,807</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,706,554</strong></td>
<td><strong>3,322,321</strong></td>
<td><strong>3,394,458</strong></td>
<td><strong>3,635,793</strong></td>
<td><strong>1,043,702</strong></td>
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</table>

(1) American Airlines relocated to T4 in 2014  
(2) Boutique began service in 2015  
(3) Continental Airlines merged with United Airlines in 2010, but reported as two separate airlines until 2013

Monthly enplanement statistics are posted at: [https://skyharbor.com/About/Information/AirportStatistics](https://skyharbor.com/About/Information/AirportStatistics)
## Terminal 2 and 3
### Food and Beverage and Retail Gross Sales
**CY 2013 through YTD 2017**

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<tr>
<td>Terminal 2 Food &amp; Beverage</td>
<td>$5,747,488</td>
<td>$5,661,187</td>
<td>$6,819,797</td>
<td>$8,282,472</td>
<td>$2,200,737</td>
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<tr>
<td>Terminal 2 Retail</td>
<td>$2,493,813</td>
<td>$4,446,959</td>
<td>$5,105,636</td>
<td>$5,408,083</td>
<td>$1,504,322</td>
</tr>
<tr>
<td><strong>Terminal 2 Total</strong></td>
<td><strong>$8,241,300</strong></td>
<td><strong>$10,108,146</strong></td>
<td><strong>$11,925,433</strong></td>
<td><strong>$13,690,555</strong></td>
<td><strong>$3,705,059</strong></td>
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<tr>
<td>Terminal 3 Food &amp; Beverage</td>
<td>$12,764,274</td>
<td>$10,835,142</td>
<td>$10,911,359</td>
<td>$12,564,814</td>
<td>$3,687,067</td>
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<tr>
<td>Terminal 3 Retail</td>
<td>$9,241,826</td>
<td>$7,402,443</td>
<td>$6,912,569</td>
<td>$6,341,365</td>
<td>$1,758,290</td>
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<tr>
<td><strong>Terminal 3 Total</strong></td>
<td><strong>$22,006,100</strong></td>
<td><strong>$18,237,585</strong></td>
<td><strong>$17,823,928</strong></td>
<td><strong>$18,906,179</strong></td>
<td><strong>$5,445,357</strong></td>
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B. **Definitions**

The following definitions apply to this RCS. There are additional definitions in the attachments, exhibits and appendices. If there is a conflict between these definitions and the definitions in the attachments, exhibits and appendices then the definitions in the attachments, exhibits and appendices govern those documents.

**AGGRIEVED PARTY** means a person or a business that intends a Response that alleges a mistake, impropriety or defect in the solicitation will harm the person or business.

**AIRPORT** means Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and/or Phoenix Goodyear Airport, in accordance with the context of the contract.

**CONTRACT** includes any and all City of Phoenix Aviation Department contracts, subcontracts, agreements, leases, subleases, licenses, permits, concessions or other documents, however denominated that grant or convey a right or privilege on an Airport.

**DAYS** means calendar days, except as otherwise expressly provided in this RCS.

**DISCUSSIONS** means an exchange between the procurement officer and one or more Respondents submitting Responses determined to be Reasonably Susceptible Responses.

**GOOD CAUSE** means substantial grounds or evidence based upon facts not in dispute as determined by the procurement officer that the failure by an aggrieved party or a Respondent to submit a timely Response, protest or appeal was beyond its control due to misinformation relayed in writing by a city employee.

**JOINT VENTURE (JV)** means an association between two or more persons, partnerships, corporations, or any combination thereof, formed to carry on a single business activity.

**LEASE** is a written agreement with the City to conduct business on City property.

**PROGRAM** means collectively the Food & Beverage and Retail concessions in T3.

**REASONABLY SUSCEPTIBLE RESPONSE** means a Response that, based on the evaluation criteria, has a substantial chance of resulting in a Lease award.

**RESPONDENT** means an individual, partnership, JV, corporation or firm that submits a Response to the City to perform services requested by a RCS.

**RESPONSE** means a written response to this Revenue Contract Solicitation.

**RESPONSIBLE** means to be fully capable of meeting all of the requirements of the solicitation, including possessing the capacity, operational and financial capability,
and integrity to perform as contractually required.

**RESPONSIVE** means an offer or Response that on its face satisfies all material requirements of the solicitation.

**REVENUE CONTRACT SOLICITATION (RCS)** A solicitation for revenue contracts, including all amendments or supplements thereto.

**SUBCONTRACTOR** means an individual, partnership, JV, corporation or firm that holds a contract at any tier below the Lease, including a vendor under a purchase order.

**SUBTENANT** a person or entity that leases property from Respondent.

**SUCCESSFUL RESPONDENT** means an individual, corporation, firm or JV that has been selected by the City to perform services requested by a RCS.

C. **Minimum Qualifications**

Each Respondent must demonstrate in its Response that it meets the minimum qualifications or the Response will be rejected as non-responsive.

Food and Beverage
- Each proposing entity, or its majority partner, must have contracted or been a majority partner in a contract, with at least 1 airport to operate a food and beverage concession for 3 continuous years within the last 5 years.
- At least 1 of these contracts must have generated at least $5 million in annual gross sales for 1 of those 3 years.

Retail
- Each proposing entity, or its majority partner must have contracted or been a majority partner in a contract, with at least 1 airport to operate a retail concession for 3 years within the last 5 years.
- At least 1 of these contracts must have generated at least $5 million in annual gross sales for 1 of those 3 years.

Respondents who do not meet the minimum qualifications are encouraged to joint venture partner or sublease with more established operators.

D. **Good Standing**

Any Respondent that currently contracts with the City must be in good standing for its Response to be considered responsive. For purposes of this RCS, good standing refers to compliance with all contractual provisions, including payment of financial obligations.
E. Outreach Requirements

To be considered for a package, each Respondent must conduct and document Outreach Efforts in compliance with the Airport Concession Disadvantaged Business Enterprise (ACDBE) Program Race and Gender-Neutral Lease Clause (Food & Beverage-Exhibit 10 of Attachment C; Retail-Exhibit 10 of Attachment D). Although there is no ACDBE, Disadvantaged Business Enterprise (DBE), or Small Business participation goal for these packages, the City strongly encourages each Respondent to voluntarily utilize Small Businesses in its Response. Responses received from Respondents that do not meet the outreach requirements established in Exhibits 10 of Attachments C & D will be rejected. The Successful Respondents will be held to the percentages of ACDBE, DBE, and Small Business participation proposed in Attachment H-2.

F. Lease and Contractual Relationship

The Primary Term of the Lease will be for at least 10 years as described in Attachments C and D. Respondents are advised to read the draft concession leases for both food and beverage and retail included as Attachments C and D respectively, to which the Successful Respondents will be bound.

The information in this RCS is not intended to completely define the proposed contractual relationship to be entered into by the City and the Successful Respondents. The Lease terms may be amended at the sole discretion of the City at any time during the RCS process and/or prior to execution of the Leases.

This RCS is for a non-exclusive Lease with the City. The City will not enter into an exclusive Lease with a Successful Respondent. At any time, the City has the right to award Leases to other operators for food and beverage and retail concepts in operation in T3 and/or future food and beverage and retail concepts or in later additions to the terminal.

G. Execution of the Lease

The City will send the final Lease to the recommended Respondent. Within 30 days from the date the Lease was sent, the recommended Respondent must sign and submit the final Lease to the City. The City may request City Council approval to award the Lease to the next highest qualified Respondent in the event the City does not receive the signed Lease and all other required documentation from the recommended Respondent within 30 days.

If the recommended Respondent is subject to regulation by the Arizona Corporation Commission (ACC), it must be authorized to transact business in Arizona and be in good standing with the ACC at the time it signs the Lease.

H. Guarantee Instruments

1. Performance Guarantee: Upon execution of the Lease, the Successful
Respondents will be required to post and maintain with the City a Performance Guarantee in the form of a Letter of Credit (LOC) in the amount of six (6) months' Minimum Annual Guarantee rent (MAG). The LOC shall be in the form provided in Exhibits 6-C and 6-D of Attachments C and D.

2. **Employee Fidelity Bond:** Upon execution of the Lease, the Successful Respondents will be required to post and maintain with the City a bond covering employees required to handle money in the amount of one (1) month's proposed MAG.

I. **Pre-Response Meeting**

Respondents are strongly encouraged to attend the Pre-Response meeting that will be held at the City if Phoenix Aviation Department Offices, 1st Floor, Phoenix Aviation Advisory Board (PAAB) Room, 2485 E. Buckeye Road, on the date and time listed on page 1. In addition, a tour of T3 will be offered following this meeting. Please email busopps.aviation@phoenix.gov to register for this meeting and the tour.

J. **Questions and Answers (Q&A) Process**

Respondents are strongly encouraged to read this RCS in its entirety, including all attachments, exhibits and appendices. Failure to read and/or understand any portion of this RCS shall not be cause for waiver of any portion of the RCS or subsequent leases. If Respondents discover any mistakes, improprieties or defects, they may submit a report of any mistakes, improprieties or defects in writing to busopps.aviation@phoenix.gov no later than the question deadline listed on page 1. Respondents and their Partners are encouraged to submit questions as a team rather than individually to avoid submitting repetitive questions, which will allow Aviation to answer all questions more efficiently.

All questions about this RCS, including the draft Leases (Attachments C and D), must be submitted in writing no later than the question deadline listed on page 1 to busopps.aviation@phoenix.gov. All written questions will be responded to in writing. Pre-Response meeting attendees, and potential Respondents who request such notification in writing, will be notified by e-mail when documents related to this RCS are available at: www.phoenix.gov/solicitations/493

K. **Amendments to RCS**

Aviation may amend this RCS before or after the solicitation deadline listed on page 1. Changes to this RCS will be in writing as an addendum and posted at: www.phoenix.gov/solicitations/493 All persons and businesses that received the initial RCS issuance notice will be notified that the addendum is available to download.

Respondents may not rely on any statement by any City employee or official, o
consultant regarding this RCS unless the statement made is posted as an addendum or as part of the Q&A process.

L. **Respondent Exceptions**

The City will award the Leases on a fair and competitive basis and will not accept any changes to the material provisions or requirements of this RCS or Leases. Respondents that take exception to, add to, or subtract from any material provision or requirement of this RCS or Leases may be considered as attempting to change the provisions or requirements of this RCS to gain an unfair advantage over other Respondents. Responses including such exceptions or changes, or that are conditional, are subject to rejection as non-responsive Responses. Non-material exceptions or changes will only be considered if approved by the City during the Q&A process. No new exceptions or changes will be considered after the Q&A process.

M. **Response Limitation Per Package**

Respondents may submit only one (1) Response for each package in this RCS. Multiple Responses are prohibited.

The following shall be deemed Multiple Responses for a single Package:
- The City receives more than one (1) Response from a Respondent; or
- The City receives one (1) Response from a Respondent, and one (1) or more Responses from any entity or person affiliated with the Respondent.

If Multiple Responses for any single Package are received from a Respondent, all Responses for that Package from that Respondent shall be deemed non-responsive and rejected.

Respondent and an entity or person affiliated with the Respondent include:
- A parent and its subsidiary
- A holding company and its constituent company
- Constituent companies of a single common holding company
- Subsidiaries of a common parent
- A limited liability company and a member or manager of the limited liability company
- Limited liability companies with common members or managers
- A partnership and one of its partners, or multiple partners in a single partnership
- A person or entity proposing as a joint venture partner or joint venture on separate Responses
- A person or entity proposing as a prime or sole Respondent and also proposing as a joint venture partner on a separate Response
- Two or more Respondents where the president, vice president, officer (including chief operating officer, chief executive officer, and chief financial officer), majority owner or stockholder, joint venture partner, managing partner, or controlling partner, or controlling owner of one Respondent is also the president, vice president, officer (including chief operating officer, chief executive officer, and
chief financial officer), majority owner or stockholder, managing partner, or controlling owner of, or is owned or controlled by any other Respondent.

- All of the above examples apply to partner of joint venture or other partnership the same as if those partners were the Respondent.

It is the intent of the city that this prohibition applies regardless of whether the affiliated person or entity submits a response independently or as a partner of a joint venture or other partnership.

Respondents may respond to any or all Packages, however Respondents can be awarded only 1 F&B Package and only 1 Retail Package. The prohibition on Multiple Responses does not preclude a person or entity from participating on more than one Response for one Package as a subtenant only, or submitting a Response as a Respondent and participating as a subtenant, licensee or vendor on a different Respondent’s team, provided that the form of Response does not result in one person or entity proposing to operate more than one F&B Package and one Retail Package.

Each Package stands on its own. Contingent Responses shall be rejected.

N. **Airport Security**


O. **Consolidated Receiving and Distribution Center (CRDC)**

The City reserves the right to develop, construct and operate a Consolidated Receiving and Distribution Center during the term of the Lease. If the CRDC is developed, all Successful Respondents and Partners and all the Successful Respondents’ authorized vendors will be required to utilize this facility. If developed, Successful Respondents will be notified of any costs associated with the CRDC that will be charged to them.

P. **Exclusive Beverage Rights**

After discussions with the Successful Respondent, at the midterm upgrade to the Leasehold Improvements as required in the Lease, City may enter into an exclusive beverage pouring rights partnership and subsequent contract. City reserves the exclusive right to solicit and enter into product advertising and sponsorship agreements for the display and sale of non-alcoholic beverages including but not limited to
carbonated drinks, sports drinks, juices, and bottled water for the display and sale in Terminal 3. The Respondent agrees to cooperate and assist, as necessary, City in the implementation of such exclusive agreements.

II. SCOPE OVERVIEW

A. Food and Beverage and Retail Packages

F&B and Retail Category Descriptions (F&B-Attachment A; Retail-Attachment B) contain a list of F&B and Retail Packages, F&B and Retail category descriptions, and requirements for the type of concepts to be proposed for each concession space. Respondents may not propose changes to the category descriptions, total square footage listed for each concession space, or the total square footage per Package. For each Package for which the Respondent is submitting a Response, Respondent is required to propose a concept(s) for each food and beverage and retail category in the Package.

The Respondent is encouraged to include a small business opportunity location in each F&B Package and each Retail Package. The table in Section II (D), identifies locations that are well suited for these opportunities.

B. Concession Spaces

The Food & Beverage and News, Gifts, and Specialty Retail Rent Percentage Rental Rates and Minimum Annual Guarantee (MAG) tables, Section II (D), provide a breakdown (square footage) of the concession spaces allotted. A map of the locations is available at: www.phoenix.gov/solicitations/493

C. Airport Pricing Policy

Successful Respondents must comply with Aviation's Airport Pricing Policy (Attachment E), which requires prices at PHX to be no more than 10% greater than price at street locations in the Phoenix metropolitan area.

D. Minimum Annual Guaranteed Rent (MAG) or Percentage Rent

Except as described in Section II (E) below, during the term of the Leases, the Successful Respondents shall pay MAG or Percentage Rent derived from gross sales, whichever is greater. The MAG per concession space and Percentage Rental Rates are non-negotiable. MAG per concession space and Percentage Rental Rates are set based on PHX historical and market data and provided in the following schedules.

Respondents’ first year MAG is based on the MAG per concession space provided on schedules below. In subsequent years of the Lease, MAG for each concession space shall be established at 85% of the annual rent revenues paid during the preceding year or 100% of MAG for each concession space for the first Lease year, whichever is greater.
Percentage Rent shall be calculated at the percentage of gross sales set forth in the schedules below.
## Food and Beverage

### Percentage Rental Rates and Minimum Annual Guarantee (MAG)

<table>
<thead>
<tr>
<th>Package ID#</th>
<th>Food and Beverage Concept</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>MAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F2</td>
<td>Restaurant/Lounge</td>
<td>Lobby</td>
<td>4,525</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$250,000</td>
</tr>
<tr>
<td>T3P-F4</td>
<td>Coffee</td>
<td>Lobby</td>
<td>2,526</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$175,000</td>
</tr>
<tr>
<td>T3S-F7</td>
<td>Quick Serve(QS)*</td>
<td>South Conc.</td>
<td>5,079</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$325,000</td>
</tr>
<tr>
<td>T3S-F8</td>
<td>Restaurant/Lounge/QS</td>
<td>South Conc.</td>
<td>4,424</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$350,000</td>
</tr>
<tr>
<td>Various</td>
<td>Vending</td>
<td>Various</td>
<td>250</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>Total Package 1</strong></td>
<td></td>
<td></td>
<td>16,804</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,103,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Package 2</th>
<th>Food and Beverage Concept</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>MAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>Coffee/Retail</td>
<td>Ticketing</td>
<td>809</td>
<td>13%</td>
<td>0%</td>
<td>12%</td>
<td>12%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>$50,000</td>
</tr>
<tr>
<td>T3P-F3</td>
<td>Quick Serve(QS)</td>
<td>Lobby</td>
<td>7,102</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$350,000</td>
</tr>
<tr>
<td>T3N-F10</td>
<td>Restaurant/Lounge/QS*</td>
<td>North Conc.</td>
<td>7,606</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$650,000</td>
</tr>
<tr>
<td>T3S-F6</td>
<td>Café/Wine/Craft Beer</td>
<td>South Conc.</td>
<td>2,342</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$225,000</td>
</tr>
<tr>
<td>T3S-F9</td>
<td>Café/Bar</td>
<td>South Conc.</td>
<td>1,974</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>Total Package 2</strong></td>
<td></td>
<td></td>
<td>19,833</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,425,000</td>
</tr>
</tbody>
</table>

Note: NA denotes Not Allowed/Not Applicable.

*Respondent encouraged to include small business opportunity. Locations noted are well suited for these opportunities.
### RETAIL

Percentage Rental Rates and Minimum Annual Guarantee (MAG)

<table>
<thead>
<tr>
<th>Package ID#</th>
<th>Retail Concept</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>Percentage Rental Rates of Gross Sales</th>
<th>MAG</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>News/Convenience</td>
<td>Reading Materials</td>
<td>Sundries</td>
<td>Snacks &amp; Bottled/Canned Beverages(1)</td>
<td>Souvenirs, Gifts &amp; All Other Merch.</td>
<td>Coffee, Pre-Pkg. Sandwiches, Salads, etc.(2)</td>
</tr>
<tr>
<td><strong>Package 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T3P-R1</td>
<td>News/Convenience</td>
<td>Lobby</td>
<td>2,603</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>T3P-R2</td>
<td>Women’s/Men’s Boutique</td>
<td>Lobby</td>
<td>1,756</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>12%</td>
</tr>
<tr>
<td>T3N-R13</td>
<td>Souvenirs/High Tech</td>
<td>North Conc.</td>
<td>1,881</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>16%</td>
<td>Souvenirs</td>
<td>16%</td>
</tr>
<tr>
<td>T3S-R9</td>
<td>Contemporary Art/Native American</td>
<td>South Conc.</td>
<td>1,457</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>14% Contemp. Art</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>High Tech</td>
<td>South Conc.</td>
<td>1,046</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>6% High Tech Hardware</td>
<td>19% All Other High Tech</td>
</tr>
<tr>
<td>T3S-R12</td>
<td>News/Convenience/Coffee</td>
<td>South Conc.</td>
<td>1,887</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
<td>13%</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total Package 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Package 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T3N-R14</td>
<td>News/Convenience/Coffee</td>
<td>North Conc.</td>
<td>1,881</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
<td>13%</td>
<td>NA</td>
</tr>
<tr>
<td>T3S-R8</td>
<td>News/Conv/Cozy/Travel</td>
<td>South Conc.</td>
<td>3,346</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
<td>13%</td>
<td>(3)</td>
</tr>
<tr>
<td>T3P-R5</td>
<td>Chocolate/Candy</td>
<td>Lobby</td>
<td>1,022</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>14%</td>
<td>16%</td>
</tr>
<tr>
<td>T3P-R4</td>
<td>Travel Accessories</td>
<td>Lobby</td>
<td>922</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>12%</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>High Tech</td>
<td>Lobby</td>
<td>976</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>6% High Tech Hardware</td>
<td>19% All Other High Tech</td>
</tr>
<tr>
<td><strong>Total Package 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** NA denotes Not Allowed/Not Applicable.

1. This category is specifically for Pre-Packaged Snacks and Bottled/Canned Beverages.
2. Limited food may be offered for sale based on the Retail Category Description, News/Convenience, in Attachment B.
3. Specialty Retail rental rates for the store-within-store concept are as follows:
   a. Chocolates/Candy 16%
   b. Cosmetics/Perfumes 12%
   c. Fashion Jewelry 12%
   d. Massage/Nail/Spa Products
      i. Massage Services and Nail/Spa Services 12%
      ii. Nail Services 10%
e. Women’s & Men’s Clothing & Access. 12%
   f. Souvenirs 16%
   g. Sunglasses/Watches 12%
   h. Travel Accessories 12%
   i. Category not included in above categories 15%
   j. Contemp. Art/Native American (not permitted) NA
   k. High Tech (not permitted) NA

*Respondent encouraged to include small business opportunity.*
E. **Rent Upon Opening**

Beginning on the Effective Date, all Successful Respondents for F&B and Retail will pay percentage rent only until all operations under their leases begin or January 31, 2020, whichever is earlier.

F. **Additional Space**

Limited airport storage and office space (support space) may be made available to the Successful Respondents. Additional support space, if available, would be charged at the rate for the terminal in effect at the time of leasing. The current terminal rate is $120.00 per square foot and may be adjusted every year in July. Due to the limited amount of support space available in the terminals, Successful Respondents may need to secure off-airport storage, office and distribution space to support their airport operations.

G. **"As Is" Condition and Capital Investments**

The concession space in each Package will be available to the Successful Respondents in an "as is" condition. All capital investments must be provided by the Successful Respondents in compliance with Attachment Q. Respondents are responsible for proposing designs and operations in compliance with all Lease requirements, including the Tenant Design Criteria (Exhibit 3 of Attachment C and Exhibit 3 of Attachment D).

The following dates are provided based on current construction schedule availability and may be revised during this process to provide updated information.

**Terminal Processor (Ticketing and Lobby)**
- Available for Tenant Improvements: Upon Contract Award
- Anticipated Opening: Late July, 2018

**South Concourse**
- Available for Tenant Improvements: April 1, 2018
- Anticipated Opening: Late October, 2018

**North Concourse (Tentative)**
- Available for Tenant Improvements: August 2019

All capital investments will be evaluated according to the value and appropriateness.
of improvements considering the concepts and service requirements described in this RCS.

Initial Capital Investment:

A. Retail Initial Capital Investment (see Table below): The Successful Respondents are required to spend a minimum average of $350 per square foot per Retail concessions space for leasehold improvements and trade fixtures, with the following exceptions:
   i. The initial capital investment for seating areas within the concessions space will be $150 per square foot.
   ii. The square footage allowable for storage space requires no initial minimum capital investment.

B. F&B Initial Capital Investment (see Table below): The Successful Respondents are required to spend a minimum average of $450 per square foot per F&B concession space for leasehold improvements and trade fixtures, with the following exceptions:
   i. There is no minimum initial capital investment for Vending Machine locations.
   ii. The initial capital investment for seating areas within the concessions space will be $150 per square foot.
   iii. The square footage allowable for storage space requires no initial minimum capital investment.

In the event the Successful Respondents do not spend the total capital investment proposed for each concession space, the unspent balance must be remitted to the City no later than four (4) months after commencement of the primary term of the Lease. Architectural and engineering fees are excluded from the calculation of capital investment for each concession space.

Midterm Capital Investment:

a. F&B Midterm Capital Investment: The Successful Respondents are required to spend a minimum average of $100 per square foot per concession for an update to the leasehold improvements and trade fixtures by August 1, 2025, with the following exceptions:
   i. There is no minimum midterm capital investment for Vending Machine locations.
   ii. The minimum average midterm capital investment for seating areas is $50 per square foot.
   iii. The square footage allowable for storage space requires no midterm capital investment.

b. Retail Midterm Capital Investment: The Successful Respondents are required to spend a minimum average of $100 per square foot per concessions space for an update to the leasehold improvements and trade fixtures by August 1, 2025, with the following exceptions:
   i. The minimum average midterm capital investment for the seating areas is $50 per square foot.
ii. The square footage allowable for storage space requires no midterm capital investment.

In the event the Successful Respondents do not spend the total midterm capital investment proposed for each concession space, the unspent balance must be remitted to the City no later than four (4) months after the required completion date of August 1, 2025.

Architectural and engineering fees are excluded from the calculation of initial and midterm capital investments for each concession space. All concession spaces must be maintained in "opening day" condition throughout the term of the Lease.

During the construction period, the Successful Respondent may be required to set up temporary facilities at the Successful Respondents’ cost to provide concessions services. These temporary facilities costs are separate from the initial capital investment requirement listed above. All temporary facilities must be approved in advance by Aviation as stipulated in Exhibits 3-C and 3-D.

<table>
<thead>
<tr>
<th>Pkg</th>
<th>Store Id</th>
<th>Concept</th>
<th>Location</th>
<th>Concessions Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Required Build-Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3P-F2</td>
<td>Restaurant/Lounge</td>
<td>Lobby</td>
<td>4,525</td>
<td>40%</td>
<td>2,715</td>
</tr>
<tr>
<td>1</td>
<td>T3P-F4</td>
<td>Coffee</td>
<td>Lobby</td>
<td>2,526</td>
<td>2%</td>
<td>2,475</td>
</tr>
<tr>
<td>1</td>
<td>T3S-F7</td>
<td>Quick Serve (QS)</td>
<td>South Concourse</td>
<td>5,079</td>
<td>10%</td>
<td>4,571</td>
</tr>
<tr>
<td>1</td>
<td>T3S-F8</td>
<td>Restaurant/Lounge/QS</td>
<td>South Concourse</td>
<td>4,424</td>
<td>2%</td>
<td>4,336</td>
</tr>
<tr>
<td>1</td>
<td>Various</td>
<td>Vending Machines (5)</td>
<td>Various</td>
<td>250</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td><strong>16,804</strong></td>
<td></td>
<td><strong>14,097</strong></td>
</tr>
<tr>
<td>2</td>
<td>T3P-F1</td>
<td>Coffee/Retail</td>
<td>Ticketing</td>
<td>809</td>
<td>5%</td>
<td>769</td>
</tr>
<tr>
<td>2</td>
<td>T3P-F3</td>
<td>Quick Serve (QS)</td>
<td>Lobby</td>
<td>7,102</td>
<td>15%</td>
<td>6,037</td>
</tr>
<tr>
<td>2</td>
<td>T3N-F10</td>
<td>Restaurant/Lounge/QS</td>
<td>North Concourse</td>
<td>7,606</td>
<td>2%</td>
<td>7,454</td>
</tr>
<tr>
<td>2</td>
<td>T3S-F6</td>
<td>Café/Wine/Craft Beer</td>
<td>South Concourse</td>
<td>2,342</td>
<td>10%</td>
<td>2,108</td>
</tr>
<tr>
<td>2</td>
<td>T3S-F9</td>
<td>Café/Bar</td>
<td>South Concourse</td>
<td>1,974</td>
<td>5%</td>
<td>1,875</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td><strong>19,833</strong></td>
<td></td>
<td><strong>18,243</strong></td>
</tr>
</tbody>
</table>

Retail Table on next page
### Retail

<table>
<thead>
<tr>
<th>Pkg</th>
<th>Store Id</th>
<th>Concept</th>
<th>Location</th>
<th>Concessions Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Required Build-Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3P-R1</td>
<td>News/Convenience</td>
<td>Lobby</td>
<td>2,603</td>
<td>50%</td>
<td>1,302</td>
</tr>
<tr>
<td>1</td>
<td>T3P-R2</td>
<td>Women's/Men's Boutique</td>
<td>Lobby</td>
<td>1,756</td>
<td>30%</td>
<td>1,229</td>
</tr>
<tr>
<td>1</td>
<td>T3N-R13</td>
<td>Souvenirs/High Tech</td>
<td>North Concourse</td>
<td>1,881</td>
<td>5%</td>
<td>1,787</td>
</tr>
<tr>
<td>1</td>
<td>T3S-R9</td>
<td>Contemporary Art/Native American</td>
<td>South Concourse</td>
<td>1,457</td>
<td>30%</td>
<td>1,020</td>
</tr>
<tr>
<td>1</td>
<td>T3S-R11</td>
<td>High Tech</td>
<td>South Concourse</td>
<td>1,046</td>
<td>10%</td>
<td>941</td>
</tr>
<tr>
<td>1</td>
<td>T3S-R12</td>
<td>News/Convenience/Coffee</td>
<td>South Concourse</td>
<td>1,887</td>
<td>15%</td>
<td>1,604</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td></td>
<td>10,630</td>
<td>783</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>T3N-R14</td>
<td>News/Convenience/Coffee</td>
<td>North Concourse</td>
<td>1,881</td>
<td>5%</td>
<td>1,787</td>
</tr>
<tr>
<td>2</td>
<td>T3S-R8</td>
<td>News/Conv/Coffee/Specialty</td>
<td>South Concourse</td>
<td>3,346</td>
<td>25%</td>
<td>2,510</td>
</tr>
<tr>
<td>2</td>
<td>T3P-R5</td>
<td>Chocolate/Candy</td>
<td>Lobby</td>
<td>975</td>
<td>5%</td>
<td>926</td>
</tr>
<tr>
<td>2</td>
<td>T3P-R4</td>
<td>Travel Accessories</td>
<td>Lobby</td>
<td>922</td>
<td>5%</td>
<td>876</td>
</tr>
<tr>
<td>2</td>
<td>T3P-R3</td>
<td>High Tech</td>
<td>Lobby</td>
<td>976</td>
<td>5%</td>
<td>927</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td></td>
<td>8,147</td>
<td>7,026</td>
<td></td>
</tr>
</tbody>
</table>

#### H. Employee Retention

Aviation is dedicated to exceptional customer service and will require the Successful Respondents to operate concession spaces in an efficient, customer friendly, well-run manner to meet the needs of customers.

Existing concession employees who have worked at T3 have developed invaluable knowledge and experience regarding PHX operations and the professional handling of conditions specific to an airport, such as sudden influxes of customers during peak periods of the day, changes in airline schedules, impact of weather conditions, etc.

The Successful Respondents and their Partners must hire from the pool of current T3 concession employees who are employed by the current T3 concessionaires and retain those concession employees in similar job classifications for 120 days.

The Successful Respondents and their Partners may only interview employee candidates outside this group of T3 concession employees when there are no longer any employees of the current T3 concessionaires available to hire in similar job classifications.

#### I. Commercial Delivery Vehicles on the Airfield

The City reserves the right to regulate and approve the size of all large commercial delivery vehicles to be used on the Airfield by the Successful Respondents and their Partners and all of the Successful Respondents’ authorized vendors.

#### J. Equal Opportunity Requirements

In 2015, Phoenix City Council amended Phoenix City Code Section IV, Article V, 18-21
Equal Opportunity Requirements, known as the Equal Pay Act, to define expectations of all lessees with the City of Phoenix. Attachment G details the Act, as well as Federal and State provisions. As part of the Response for this RCS, Respondents are required to provide information on how they support, communicate, ensure and comply with these requirements. Respondents are expected to be as detailed as possible when completing Section III, Response Instructions, B. Form of Responses, Tab 4, Management, Marketing and Operations for Respondent and Respondent’s Subtenants, if any.

III. RESPONSE INSTRUCTIONS

A. Delivery of Responses

Each Respondent must submit the following in a sealed package marked with the Respondent’s name and the name of this RCS:

- One (1) original Response
- 10 hard copies of the Response
- One (1) electronic copy of the Response on a USB drive, using unlocked pdf format and in the same page order as the hard copy
- One (1) set of material boards (11”x17”)
- Two (2) sets of Outreach Requirements documentation as specified in Section III (C)
- Completed and signed Conflict of Interest and Solicitation Transparency Disclosure Form (Attachment R)
- Statements regarding any Agreement with Labor Organizations as specified in Section III (D)

Responses must be received by Aviation’s administrative receptionist at the address listed on page 1, during the normal business hours of 8:00 a.m. to 5:00 p.m., before the solicitation deadline listed on page 1. Respondents may correct or withdraw their Response(s) any time before the solicitation deadline listed on page 1.

Responses received after the deadline date and time shall be rejected as non-responsive unless Good Cause is shown.

B. Form of Responses

Responses shall conform to the format specified below. Responses that are incomplete, conditional, obscure, or that contain additions not requested, changes or exceptions to material provisions or requirements of this RCS, or irregularities of any kind, are subject to rejection as non-responsive.

The provided attachments must be submitted in the size in which they are provided in this RCS with the same font style and size used on the attachment.
Respondents must submit one set of material boards, which should not be larger than 11” x 17” in size.

Forms are provided as part of the RCS to organize the information to be submitted in each Response. Each Respondent is responsible for ensuring the forms are complete. Where financial or numerical data is provided, the Respondent is responsible for the accuracy of its numbers and calculations. All dollar amounts must be in U.S. dollars.

Each Response for each package must include:

**Tab 1 – General Information**

- Cover Letter (1-page limitation) including the following information on the first page of the letter:
  - Name of Respondent. If Respondent is a joint venture then indicate all partners and each partner’s percentage of ownership interest in joint venture
  - Names of all sublessees, if any
  - List of all concepts and names of the firms that will be operating the concepts
- Completed Qualification & Experience (Attachment I-1)
- Table of Contents for entire Response with page numbers
- Notarized Affidavit (Attachment F)
- Bank’s Letter of Commitment - Each Respondent must provide a letter from its bank communicating the bank’s commitment to provide the Respondent, if successful, with a Letter of Credit in an amount equal to six (6) months’ MAG (Exhibits 6-C and 6-D)
- Airport Pricing Policy and Comparisons (Attachment E)
- Letter of Declaration (Attachment G)

**Tab 2 – Proposed Concept, Menus or Merchandise Plan for Each Concession Space**

- Concept Descriptions (Exhibit 2-C and Exhibit 2-D)
- National name brands, local and regional concepts, and local operator participation (Attachment H-3)
Sample merchandise list/menus showing the range of prices. Each Respondent shall provide copies of the proposed menu for each concept and a corresponding street location menu, where applicable.

Narrative (5-page limitation for all concepts):
- Description of each concept
- Describe why concept was chosen for PHX’s T3
- Describe any unique attributes of each concept

Narrative (1-page limitation for all concepts) – if any concepts are licensed, provide the specific involvement of the licensor in the operation of the concept

Copy of license/franchise sublease(s) and/or letter(s) of intent from concept owner(s) to issue license to Respondents or Subtenant.

Tab 3 – Design and Quality of Tenant Improvements for Each Concession Space

Respondents are responsible for adhering to the Tenant Design Criteria (Exhibits 3-C & 3-D of Attachments C & D)

- Proposed Capital Investment by Concession Space and in the Aggregate (Attachment Q)
- Architectural Renderings (11”x 17”): must be compatible with Tenant Design Criteria (Exhibits 3-C and 3-D). Each design should be appropriate to the concept. The following three renderings for each Concessions Space will be required with Response:
  - Exterior – overall design to include color scheme, signage and graphics, lighting, etc.
  - Interior – overall design to include color scheme, materials, lighting, displays, etc.
  - Layout of interior – kitchen, prep areas, bars/lounge areas, fixtures and technology, table/chairs, grab and go counters, merchandise displays, POS customer queuing, customer circulation, changing room, storage areas, etc.
- Construction Phasing Plan
  - Respondent shall provide a detailed approach to phasing the construction of the concession space
- Material boards – one board for each Concession Space, no larger than 11” x 17” and weighing no more than 12 pounds. The boards should include samples of the floor and wall coverings, ceiling treatments, service counters and display and lighting fixtures, and all proposed interior and exterior signage.
- Copies of material boards on 8.5” x 11” paper and an electronic version on a USB drive
- Narrative (5-page limitation for all concepts) – provide a description of each concession space design intent and proposed capital investment, including design components related to environmental sustainability and conservation
**Tab 4 – Management, Marketing and Operations Plans for Respondent and Respondent’s Subtenants, if any**

- Staffing plan for an average day for each Concession Space (include two to three Concession Spaces per page)
- Qualifications and experience of the on-site team (pages limited to attachments)
  - Respondent’s on-site manager(s) who will be responsible for the operations of all Concession Spaces under the Lease, including handling emergency situations and customer service issues *(Attachment J-1)*
  - Subtenant’s, if any, on-site manager(s) *(Attachment J-2)*
- Management Plan – Narrative (5-page limitation for Respondent, with an allowance for an additional 5 pages for each subtenant, if any) briefly describing the following programs in numbered and titled sections within the 5 pages:
  - Recruiting and training programs
  - Customer service program and methods to continuously monitor customer service, i.e., mystery shoppers, comment cards, social media
  - Policy for handling customer complaints
  - Policy for handling emergency situations
  - Employee incentives for retaining and motivating staff, including training programs, leadership and career advancement opportunities, and employee recognition and motivation programs
  - Proposed communication to employees of the Equal Pay Act and method to monitor compliance with the Act
- Marketing Plan – Narrative (1-page limitation for Respondent, with an allowance for an additional 1 page for each subtenant, if any) briefly describing the following plans in two titled sections on the page:
  - Use of social media to promote concepts
  - Promotions and discounts attributed to customer loyalty programs, employees, military, etc. (include sample materials)
- Operations Plan – Narrative (2-page limitation for Respondent, with an allowance for an additional 2 pages for each subtenant, if any) briefly describing the following plans in numbered and titled sections within the two pages:
  - Use of technology to improve customer service
  - Proposed merchandise product delivery plan to T3 and to each concession space during normal operations and during emergency situations (assume proposed CRDC *[Section I, O]* is not operational upon opening)
  - Approach to sustainability, conservation and operating “green,” composting, recycling, etc.
  - Facility maintenance plan, which includes normal repairs and maintenance of concession space(s), and equipment, frequency of cleaning and grease and trash removal, jetting of lines, and equipment maintenance plan and equipment maintenance plan and replacement of equipment and fixtures due to normal wear and tear
  - Physical security, inventory, cash controls
Tab 5 – Qualifications and Experience of Respondent and Partners and Subtenant (if any)

- Respondent’s Qualifications & Experience (Attachment I-1)
- Contact information for locations provided in Attachment I-1 (Attachment I-1-A)
- Experience of Respondent Partners, and Subtenants, if any, with proposed or similar concepts (Attachment I-2)
- Narrative (2-page limitation for Respondents; 2-page limitation for each subtenant) - to supplement the information provided (Attachments I 1-3).

Tab 6 – Proposed Business Plan

- Projected Gross Sales for each Concession Space and in the Aggregate for each lease year (Attachment N-1)
- Projected Rent Revenues for each Concession Space and in the Aggregate for each lease year (Attachment N-2)
- Pro Forma Financial Statements for each Concession Space and in the Aggregate for each lease year (Attachment O)
- Assumptions that support annual Gross Sales and Proforma Financial Projections (Attachment P)
- Documentation of Respondent’s, and Respondent’s subtenant and/or joint venture partners’ if any, financial capability to fund internally and/or finance proposed Capital Investment such as audited financial statements and/or letters of intent from financial institutions.

C. Outreach Requirements Documentation

In a separate sealed package marked “Outreach Requirements” within the same sealed package as the items listed above, Respondents shall submit two (2) hard copies of documentation of its compliance with the Outreach Requirements described in F&B-Exhibit 10-C and Retail-Exhibit 10-D. In addition, Respondents must submit an electronic copy of the documentation on a USB Drive.

Respondents must document their efforts to: 1) identify business opportunities that Small Businesses can perform as partners or as suppliers of goods and services, 2) conduct outreach and broadly solicit responses for business opportunities from Small Businesses, 3) evaluate and negotiate with Small Businesses, and 4) communicate outcomes to all Small Businesses that responded to the Respondent’s outreach efforts, and notify them whether or not the Small Business was selected.

The separate sealed package marked “Outreach Requirements” must include the following:

1. Negotiations with Small Businesses (Outreach Efforts - Attachment H-1).

2. All supporting documentation required in Section III & IV of Food & Beverage-Exhibit 10-C and Retail-Exhibit 10-D.

D. Labor Organization Documentation

In a separate sealed package marked “Statement Regarding Any Agreements with Labor Organizations” within the same sealed package as the items listed above, Respondents shall submit a response to the following:

Do you currently have an agreement in place that would prohibit a labor organization from engaging in a strike, picketing or conducting other economic actions at the proposed concession operation? If yes, please list the labor organization(s) and the date the agreement was executed.

The information provided in response to this RCS question will not be considered as part of the panel deliberations or scoring criteria.

IV. RESPONSE EVALUATION

All responsive and responsible Responses will be evaluated based on the following criteria. The criteria will be evaluated for the Respondent and all Partners of the Respondent, if any. The evaluation panel may consider each of the components listed when evaluating the responses. These components are not individually weighted and they are not listed in order of importance. This is a best-value-to-the-City-procurement.

A. Evaluation Criteria

1. Proposed Concepts, Menus or Merchandise Plan for Each Concession Space (0 - 250 points).

Responses will be evaluated on concepts and menus or merchandise plan for each concession space with a balance of national, regional and local concepts for Food and Beverage concessions. The Retail shall have a balance of brands and concepts and demonstrate quality, variety and uniqueness. Responses shall convey the best fit for the surrounding area and overall program.

2. Design and Quality of Tenant Improvements (0 - 225 points)

Responses will be evaluated on the amount of Capital Investment intended for tenant improvements. Architectural renderings and material boards for each proposed concept will be evaluated for: creativity and innovation for interior and exterior designs; efficiency of layout of the interior layout plan (i.e., kitchen and prep areas, seating areas and use of technology, bars/lounges, point of sale stations, customer circulation and queuing, etc.); and overall quality of construction materials for flooring, wall coverings, fixtures, display units, signage, etc.
Tenant improvements shall also demonstrate compliance with tenant design criteria, include a clear and feasible construction schedule, and include design and construction proposals promoting environmental sustainability and environmental conservation.

3. **Management, Marketing and Operations Plans (0 – 225 points)**

Responses will be evaluated on a management plan that contains the following: a staffing plan for each concession space including the qualifications and experience of on-site staff; training programs for customer service; policies and/or procedures for managing customer complaints and emergency situations; incentive programs for retention of staff; and communication methods used to notify employees of employment related regulations, including the Equal Pay Act, and monitoring practices to ensure compliance.

Responses will also be evaluated on the quality of the marketing plan that identifies how the Respondent will use social media, advertise and implement promotional opportunities, and discounts to customers to encourage purchases and increase sales.

In addition, Responses will be evaluated regarding the approach to the operations plan and shall include how technology will be utilized to improve customer service, the Respondent’s approach to sustainability and their inventory and cash controls. The plan shall also demonstrate the ability to deliver product and merchandise to each Concession Space during normal business hours and emergency situations. A facility maintenance plan will also be evaluated in the operations plan to review normal repairs and maintenance, the frequency of cleaning and trash removal, and replacement of equipment and fixtures. In addition, if the Respondent is proposing a concept that is licensed, the involvement of the licensor shall be included in the operations plan.

4. **Experience and Qualifications of Respondent and Partners if any (0 – 200 points)**

Responses will be evaluated on the Respondent’s experience and qualifications for its organization, partners, and subtenants by providing the number of years and types of experience in relevant concessions categories. This includes experience in airports, non-airport venues, similar concepts and operating multiple concession spaces simultaneously and experience with proposed concept. Responses shall also discuss the number of years of experience operating and managing a variety of concepts and subtenants and the sales performance of concession spaces operated by Respondent and all Partners.

5. **Proposed Business Plan (0 – 100 points)**

Responses will be evaluated as to the business plan that provides projected annual and aggregate (total lease term) gross sales and rent revenues for concession space(s) during the lease term. The plan shall also discuss the projected cash flow...
from operations, by Concession Space, to cover the proposed capital investment
during the lease term. The plan shall also be evaluated on the assumptions in support
of the gross sales and Pro Forma financial projections, in addition to demonstrating
financial capability to fund the proposed Capital Investment.

B. Evaluation Panel

The Aviation Director will appoint an evaluation panel or panels to evaluate
responsive Responses and recommend the Respondents to be awarded the Leases
resulting from this RCS. The Aviation Director may accept the evaluation panel’s
recommendations and submit it to the Phoenix City Council for approval, or may
reject the recommendations. If only one Response is responsive to a package, then the
Aviation Director shall have the discretion to determine whether the evaluation panel(s)
or staff will evaluate the responsive Response.

The evaluation panel may interview all Respondents or create a short-list of
Respondents to interview. The same evaluation panel will be used for the short-list
and the interview process. A short-list of Responses, when used, is a list of
Responses identified by the evaluation panel, based on the evaluation criteria in this
RCS, as those that have a substantial chance of resulting in contract award in
comparison to all responsive Responses submitted. The evaluation panel may consider
information from the interviews that clarifies the written Responses.

The evaluation panel will score the Responses by consensus based on the evaluation
criteria. The City will retain the consensus scoring for each criterion for each
Respondent. The City does not retain individual panelists’ scores.

C. Discussions

The procurement officer may hold Discussions, based on the evaluation panel's
direction, with Respondents submitting a Reasonably Susceptible Response.
Discussions must be conducted in writing. In conducting Discussions, the
procurement officer may not disclose any information derived from Responses
submitted by competing Respondents. The procurement officer may request
Response revisions from all Respondents with whom discussions were held. The
procurement officer will facilitate the evaluation of any revisions in the revised
Responses resulting from the discussions.

V. GENERAL TERMS AND CONDITIONS OF THE RESPONSE

A. Solicitation Transparency Policy

1. Commencing on the date and time a solicitation is published, potential or actual
offerors or Respondents (including their representatives) shall only discuss matters
associated with the solicitation with the Mayor, any members of City Council, the City
Manager, any Deputy City Manager, or any department director directly associated
with the solicitation (including in each case their assigned staff, except for the designated procurement officer) at a public meeting, posted under Arizona Statutes, until the resulting contract(s) are awarded to all offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or similar solicitation. As long as the solicitation is not discussed, Offerors may continue to conduct business with the City and discuss business that is unrelated to the solicitation with the City staff who is not involved in the selection process.

2. Offerors may discuss their proposal or the solicitation with the Mayor or one or more members of the Phoenix City Council, provided such meetings are scheduled through the Procurement Officer conducted in person at 251 West Washington, Phoenix, Arizona, 85003, and are posted as open meetings with the City Clerk at least twenty-four (24) hours prior to the scheduled meetings. The City Clerk will be responsible for posting the meetings. The posted notice shall identify the participants and the subject matter, as well as invite the public to participate.

3. With respect to the selection of the successful Offerors, the City Manager and/or City Manager's Office will continue the past practice of exerting no undue influence on the process. In all solicitations of bids and proposals, any direction on the selection from the City Manager and/or City Manager's Office and Department Head (or representative) to the proposal review panel or selecting authority must be provided in writing to all prospective Offerors.

4. This policy is intended to create a level playing field for all Offerors, assure that contracts are awarded in public, and protect the integrity of the selection process.

5. PROPOSERS THAT VIOLATE THIS POLICY SHALL BE DISQUALIFIED

6. After official Notice is received by the City for disqualification, the Proposer may follow the Protest process, unless the Solicitation is cancelled without notice of intent to reissue.

7. “To discuss" means any contact by the proposer, regardless of whether the City responds to the contact. Offerors that violate this policy shall be disqualified until the resulting contract(s) are awarded, or all offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City’s intent to reissue the same or a similar solicitation. The City interprets the policy as continuing through a cancellation of a solicitation until Council award of the contract, as long as the City cancels with a statement that the City will rebid the solicitation.
8. With respect to the selection of the Successful Respondent, the City Manager and City Manager’s Office will continue the past practice of exerting no undue influence on the process.

9. This policy is intended to create a level playing field for all Respondents, assure that contracts are awarded in public, and protect the integrity of the selection process. **RESPONDENTS THAT VIOLATE THIS POLICY WILL BE DISQUALIFIED.**

B. **Affirmative Action Compliance Certification**

The Successful Respondent certifies its compliance with federal affirmative action requirements by signing the Lease resulting from this RCS.

C. **Equal Opportunity**

The City extends to all Respondents an equal economic opportunity to compete for City business and strongly encourages voluntary utilization of Small Business Enterprises (SBEs) whenever practical. Respondents are encouraged to call the City’s Equal Opportunity Department at 602-262-6790 or visit their website at: [https://phoenix.diversitycompliance.com/](https://phoenix.diversitycompliance.com/) for assistance identifying SBEs.

D. **Award Recommendation**

All award recommendations will be posted on the following phoenix.gov website: [https://www.phoenix.gov/finance/business-opportunities/bid-awards-and-recommendations](https://www.phoenix.gov/finance/business-opportunities/bid-awards-and-recommendations)

When the City posts the award recommendation, the procurement file for this RCS will be available upon request for Respondents to review. The procurement file consists of the RCS, any addenda, advertising documents, Responses, evaluation panel consensus scoring, evaluation process documents, pre-response meeting documents, Q&A, signed conflict of interest statements used in this process and confirmation of the RCS’s posting to the phoenix.gov solicitation website.

E. **Disclosure of Confidential and Proprietary Information**

1. All materials submitted by Respondents are the property of the City and become a matter of public record available for review pursuant to Arizona law. A Respondent may request specific information contained within its Response be treated by the procurement officer as confidential or proprietary (collectively confidential) provided the Respondent clearly labels the information "confidential". To the extent necessary for the evaluation process, information marked as "confidential" will not be treated as confidential.

2. Once the procurement file becomes available for public inspection, the procurement officer will not make any information identified by the Respondent
as "confidential" available to the public unless necessary to support the evaluation process or if specifically requested in accordance with applicable public records law. When a public records request for such information is received, the procurement officer will notify a Respondent in writing of any request to view any portion of its offer marked "confidential." The Respondent will have seven (7) calendar days to obtain a court order enjoining such disclosure. If the Respondent does not provide the procurement officer with a court order enjoining release of the information during the designated time period, the procurement officer will make the information requested available for inspection.

F. City's Reservation of Rights

The City may:
1. Accept or reject any or all Responses in whole or in part;
2. Cancel this RCS in whole or in part;
3. Negotiate any Response elements in a manner that does not create an unfair advantage for any Respondent;
4. Reissue this RCS with or without modification;
5. Waive any non-material defects in any Response or the procurement process; and
6. Take any other legal action deemed to be in the City's best interest.

G. City's Right to Disqualify for Conflict of Interest

The City may disqualify a Response if the Respondent has a real or apparent conflict of interest disclosed in its Response or discovered from any other source. During the term of the Lease resulting from this RCS, the Successful Respondent's employees may not be involved in any other Aviation-related business, including as an employee, owner, subtenant and/or joint venture partners, or consultant, which presents a real or apparent conflict of interest. All determinations regarding conflicts of interest will be made at the sole discretion of the Aviation Director, whose decision is final and is not subject to Section V (K).

H. Respondent-Incurred Costs

All costs incurred by the Respondent in connection with this RCS shall be borne solely by the Respondent. Under no circumstances shall the City be responsible for any costs associated with the Respondent's Response or the RCS process.

I. City's Sole Determination of Responsiveness and Responsibleness and Right to Investigate

Responses will be reviewed for documentation of minimum qualifications, completeness, and compliance with the RCS requirements. The City reserves the sole right to determine responsiveness and responsibleness, which includes the City's determination of the Respondent's integrity, skill, capacity, experience, and facilities for conducting the work to be performed.
The City’s determination as to whether a Respondent is responsible will be based on the information furnished by the Respondent, interviews (if any), and any other sources the City deems appropriate. Award of the Lease resulting from this RCS will not be made until such investigations, which each Respondent agrees to permit by submitting its Response, are made by the City as it deems necessary.

J. **Respondent Certification and Affidavit**

By submission of a Response, each Respondent certifies it has not paid or agreed to pay any fee or commission, or any other item of value contingent on the award of a Lease to any employee, official or current contracting consultant of the City. Any Respondent that is unable to comply with any required certifications may be disqualified.

In compliance with Arizona Revised Statutes §§ 1-501 and 1-502(D), the City shall require any Successful Respondent that submits its Response as a sole proprietorship or as an individual to complete the Affidavit of Lawful Presence posted at [https://www.phoenix.gov/Documents/lawfulpresence.pdf](https://www.phoenix.gov/Documents/lawfulpresence.pdf) prior to the award of any Lease resulting from this RCS process.

K. **Protests**

1. **Conditions for Protest:**

   a. An aggrieved party may protest the contents of the RCS up to seven (7) calendar days before the solicitation deadline listed on page 1 when the protest is based on alleged mistakes, improprieties or defects. If an aggrieved party submits a protest based on alleged mistakes, improprieties or defects, they must also submit a Response by the solicitation deadline listed on page 1 if they want to be considered for award of the contract. Any potential Respondent should identify any alleged mistakes, improprieties or defects through the Q&A process in Section I (J).

   b. Respondents may protest an adverse determination issued by the procurement officer regarding whether the Respondent is responsible or its Response is responsive within seven (7) calendar days of the date the Respondent was notified of the adverse determination.

   c. Respondents may protest an award recommendation within seven (7) calendar days of its posting at: [https://www.phoenix.gov/finance/business-opportunities/bid-awards-and-recommendations](https://www.phoenix.gov/finance/business-opportunities/bid-awards-and-recommendations)

      if the Respondent can establish that it had a substantial chance of being awarded the contract and will be harmed by the recommended award. The date the Award Recommendation Notice is posted shall initiate the seven (7)
day Protest Period. That is, the date the Notice is posted shall be day zero (0), with the following day counted as day one (1) and so forth through Close of Business (5:00 PM local Phoenix time) on calendar day seven (7).

2. Submitting a Protest

a. Protests received after the protest due dates set forth in this RCS will not be considered, except for Good Cause.

b. In the event the aggrieved party submits a public records request after receiving the applicable notice but prior to the deadline to file a protest, the procurement officer will extend the deadline one day for every day between the day the City receives the public records request and the day the public records are produced, the request is otherwise addressed by the City or a court of competent jurisdiction enjoins disclosure of the requested records.

c. To be considered, all protests must be submitted in writing and must include:
   - RCS number and title;
   - Name, address, telephone number, and email address of the protester;
   - Detailed statement of the legal or factual basis of the protest including any copies of relevant documents;
   - The relief requested;
   - Signature of the protester or its authorized representative;
   - A Respondent protesting an award recommendation shall also establish in its protest that it had a substantial chance of being awarded the contract and will be harmed by the recommended award.

d. The procurement officer for the solicitation has the authority to review, decide and settle protests.

e. Deadlines in the solicitation are not required to be postponed solely on the basis of receiving a solicitation protest. Only upon written notice from the procurement officer will a solicitation deadline be postponed, at the City’s sole discretion.

f. The procurement officer shall issue a protest decision in writing within a reasonable period of time stating the reason for the protest decision and advising the aggrieved party or respondent of its right to appeal in accordance with Phoenix City Code.

g. The procurement officer will not review any supplements or amendments to a Respondent’s original protest or any additional protests submitted by the same Respondent. The procurement officer will provide the recommended Respondent copies of award recommendation protest(s) and the City’s written decision by fax or email and regular mail with return receipts requested for all methods of delivery.
ATTACHMENT A

Food and Beverage Category Descriptions

This section of the RCS contains a list of the F&B categories selected for T3. Each category contains a description of the types of concepts and menu items desired by the City. The categories are listed in alphabetical order. In addition, the F&B category descriptions include information about the package number and Store ID specifying the location of the concession space, amount of square feet, and other concepts located in the area. A terminal diagram (location) map is available at: https://www.phoenix.gov/solicitations/493

Respondents should note that the City would prefer a mix of national name brand and local or regional concepts recognized with an off-airport location.

The City desires each concession space be utilized for maximizing customer service and revenues. The amount of space stated in each F&B Category will be the amount leased to each Successful Respondent. If the Respondent believes it needs less space to maximize gross sales and rent revenues, then the Successful Respondent will be allowed to designate a portion of the space for storage. However, the City will not allow the storage space to be greater than the maximum amount listed under each Food and Beverage Category Description. The space allocated to storage will be required to be improved by Successful Respondent. The cost of storage improvements will be at the discretion of the Respondent and must comply with all applicable codes, ordinances, rules, regulations, and life safety requirements. The remaining square foot will be improved at a cost of $450 per square foot (see Section II G).

A. List of Food and Beverage Categories and Definitions

1. Café/Bar
2. Café Focused on Wine or Craft Alcohol or Craft Beer
3. Quick Serve
4. Restaurant and Lounge
5. Restaurant and Lounge and Quick Serve
6. Stand-Alone Coffee
7. Vending Machines

For purposes of this RCS, the following definitions apply.

1. “Quick Serve” - a place of business that is devoted to the preparation and retail sale of ready-to-consume F&B items that require little waiting and can be served quickly through counter service. F&B items purchased from the quick serve units can be consumed in the seating areas provided by the Successful Respondent or packaged “to go” for consumption elsewhere. Quick Serve concepts will be allowed to sell beer and wine for immediate consumption as long as the Successful Respondent has complied with the appropriate liquor laws and ordinances of the City of Phoenix and State of Arizona and obtains a license.
2. "Restaurant" - a place of business that offers a wide range of freshly prepared hot and cold entrees, appetizers, salads and desserts; and non-alcoholic and alcoholic beverages. The service level in the restaurant can be either **full** or **limited** service.

   a. "**Full Service**" - typically a sit-down restaurant catering to customers with a sense of personal attention. A customer orders a meal from a server. The server places the order with the kitchen and then delivers the order to the customer’s table when it is ready.

   b. "**Limited Service**" - establishment where a customer orders a meal at a specific location in the restaurant, and when the order is ready the meal is brought to the customer’s table. Typically, limited service restaurants cater to a much faster-paced clientele.

   c. Variation of "**Limited Service**" - cafeteria-style service. A cafeteria is a restaurant serving mostly ready-cooked food arranged behind a food service counter. There is little or no table service. Typically, a customer pushes a tray along a track in front of the counter. Servings may be ordered from attendants, selected as ready-made portions already on plates, or customers self-serve their own portions.

3. "**Lounge**" - establishment or an area in an establishment with table service where a full complement of alcoholic beverages are featured and served for immediate consumption. A lounge may also include a bar where alcoholic beverages are served over a counter. Food may be ordered at the bar or in the lounge for immediate consumption.

4. "**Café/Bar**" – concept that focuses on offering a full complement of alcoholic beverages in a themed environment. The café is expected to offer full or limited food service and serve appetizers, small plates, breakfast items, etc.

5. "**Café Focused on Wine or Craft Alcohol or Craft Beer**" - concept that focuses on offering a variety of wines or craft alcohol, or craft beers in a themed environment. The café is expected to offer full or limited food service and serve appetizers, small plates, breakfast items, etc. The café may serve a variety of alcoholic beverages as well, as long as there is a focus on a specific type of alcohol.

6. "**Generic Concept**" - concept that is not a national name brand or a local/regional concept.

7. "**House Brand**" – concept used, produced or marketed under exclusive rights granted as the inventor or maker of the concept that is only found at airports.

**B. General Standards**

The following general standards will be applied to the T3 Food and Beverage Program.
1. The City expects ALL concepts to be popular national name brand or local/regional concepts. The City prefers no house brands or generic concepts.

2. Every concept must provide breakfast, lunch and dinner menu items. All concepts must serve breakfast at least until 10:30 a.m.

3. For each national name brand or local/regional concept proposed, the quality of the menu offerings at T3 should be the same or of a higher standard than the offerings at the concept’s street location. The City expects the national name brand or local/regional concept’s T3 menu, in terms of the number and variety of items, to be as close as reasonably possible to the menu of the concept’s street location(s). The final menu will be subject to approval by the Aviation Director.

4. Each concession space with several units must offer concepts with a variety of price points and menu items. The menus should offer items for children or provide families traveling with children a separate “kids” menu; as well as healthy, gluten-free, vegetarian and vegan options.

5. “To go” menu pricing must be equal to or less than in-house dining menu pricing. Alcoholic beverages cannot be sold on the “to go” menu.

6. The single F&B concept located pre-security must be open 90 minutes prior to the first flight leaving T3 and stay open until the last flight departs T3. All post-security concepts must be open each day 90 minutes prior to the first flight leaving on the concourse the unit is located. All post-security concepts must stay open until 30 minutes after the last flight departs on the concourse the unit is located. In addition, 1 concept in each package must operate 24 hours per day. Each Respondent must identify the 24-hour unit in its Response. The City may require the Respondent to change the 24-hour unit once Successful Respondents have been selected for both packages.

7. The City recommends the successful Respondents provide environmentally friendly packaging that is easy to dispose of and can be easily carried on-board flights for all quick serve and “to go” menu items.

8. If appropriate to the concept, lounges should have state-of-the-art projection and/or flat screen televisions featuring sports, special events and news programs all day long. The programming has to be approved by the Aviation Department and it cannot be public facing to the terminal walkways.

9. The design and configuration of the restaurants and lounges should accommodate all of the following customer groups:
   a. Customers preferring an open and friendly environment, especially if traveling alone, so they feel comfortable dining and drinking by themselves;
   b. Families traveling together; and
   c. Customers only wanting alcoholic beverages and a lounge atmosphere.
10. The Successful Respondents are encouraged to use the latest technology to increase their ability to serve customers quickly and efficiently.

11. Each concession space is expected to be developed for revenue producing purposes, except for areas provided for seating or storage.

12. The concession spaces designated for quick serve concepts should include seating. At a minimum, the ratio of Quick Serve square feet to seating square feet should be 1:1 and the maximum should be no more than 1:2.

13. Each Successful Respondent will be responsible for providing all capital investment for all concession spaces in its package, including equipment, and fixtures, and furniture for seating areas inside the F&B unit.

14. Retail merchandise may be allowed to be sold by the Successful Respondent if it is directly related to the concept, i.e. logo wear and concept specific merchandise. No more than 5% of the F&B unit may be used for the sale of the related retail merchandise. In the Café Focused on Wine, Craft Alcohol or Craft Beer concept, the Successful Respondent must offer shipping services at a reasonable cost to customers who would like to purchase bottled wines, craft alcohol or beer or any other retail items. The sale and shipment of all liquor must comply with the appropriate liquor laws and ordinances of the City of Phoenix and State of Arizona and the liquor laws of the state that the shipments are made to.

15. The Successful Respondent must offer the same promotions and discounts, and sell and accept gift cards and frequent buyer cards offered in the concept’s street location(s). Customers should not see any difference between the concept’s airport location and its street location.

16. The Successful Respondent must keep up with F&B trends, and change menus to reflect customer needs and preferences. All changes to menu items and prices must have the prior written approval of the Aviation Director.

C. Space Allocated to Food and Beverage Categories

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other F&amp;B Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>T3S-F9</td>
<td>South Concourse</td>
<td>1,974</td>
<td>5%</td>
<td>Restaurant and Lounge, Quick Serve, Café Focused on Wine, Craft Alcohol or Craft Beer</td>
</tr>
</tbody>
</table>
The Successful Respondent is expected to develop the space as a themed café with strong local/regional concept or national brand name recognition. The City expects the successful Respondent to develop seating on all sides of the concession space adjacent to the passenger corridor and hold room (see Tenant Design Criteria in Exhibit 3-C). The Successful Respondent must serve a full complement of alcoholic beverages. Even though the concept's focus is on alcoholic beverages, the Successful Respondent must offer food items. The Café is expected to offer full or limited food service and serve appetizers, small plates, sandwiches, salads/soups, and breakfast items. Including all meal parts of the day.

### Café Focused on Wine, Craft Alcohol or Craft Beer

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other F&amp;B Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>T3S-F6</td>
<td>South Concourse</td>
<td>2,342</td>
<td>10%</td>
<td>News/Convenience/Coffee directly across, Restaurant and Lounge and Quick Serve</td>
</tr>
</tbody>
</table>

The Successful Respondent is expected to develop the space as a café focused on serving wine, craft alcohol, or craft beer featuring a local brewery or breweries. The City expects the Successful Respondent to develop seating on all sides of the concession space adjacent to the passenger corridors (see Tenant Design Criteria in Exhibit 3-C).

If the space is operated as a café/wine bar, the wine offerings are expected to include popular wines from Arizona, other states in the U.S., and countries around the world. The Successful Respondent is expected to offer a minimum of 20 different wines at varying price points. At a minimum, the wines should include whites and reds in the following categories: chardonnay, pinot noir, merlot, and cabernet sauvignon. Other wines that may be offered include Spanish Rioja, Italian Chianti and Sangiovese, Malbec, Mosel, French Bordeaux and Burgundy, and German Riesling. The successful Respondent will be expected to hold wine tastings on a periodic basis, and offer flights of wine as part of the regular wine menu.

If the space is operated as a café/craft alcohol bar, the theme of the café should reflect a specific type of alcohol and offer tastings, i.e. bourbon, vodka, scotch, tequila, etc. The Successful Respondent is expected to offer more than 10 different types of each craft alcohols.

If the space is operated as a local café/craft beer bar, the beer offerings are expected to include local craft beers from Arizona. The Successful Respondent is expected to offer more than 10 different types of craft beers. The beers should include any one or more types in the following categories: light lagers and pilsners, dark lagers, brown ales, IPAs, porters, bocks, Belgian styles, and stouts. The Successful Respondent will be expected to hold beer tastings on a periodic basis, and offer flights of beer as part of the regular beer menu. The successful Respondent will be allowed to sell other alcoholic beverages.
Under any of the above themes, the Successful Respondent will be allowed to sell other alcoholic beverage as well.

Successful Respondent must offer food items. The café is expected to offer full service dining and serve appetizers, desserts, small plates, sandwiches, salads/soups, and entrees including all meal parts of the day, i.e. breakfast lunch and dinner.

### Quick Serve

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other F&amp;B Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3S-F7</td>
<td>South Concourse</td>
<td>5,079</td>
<td>10%</td>
<td>Restaurant/Quick Serve concept(s) directly across, Café Focused Wine, Craft Alcohol or Craft Beer, Café/Bar, and News/Convenience/Coffee</td>
</tr>
<tr>
<td>2</td>
<td>T3P-F3</td>
<td>Lobby</td>
<td>7,102</td>
<td>15%</td>
<td>Restaurant/Lounge and Coffee</td>
</tr>
</tbody>
</table>

Each concession space must be developed into 3 to 4 quick serve concepts and seating. Respondents should consider including (1) a hamburger concept, (2) a sandwich, soup and salad concept, and (3) a Mexican food concept. All additional quick serve concepts are at the discretion of each Respondent. Respondents should include concepts with broad appeal that address the customer market in T3. In addition, Respondents are encouraged to be creative and may consider developing the space into a marketplace or food hall that includes a variety of concepts, including all meal parts of the day. The only alcoholic beverages that will be allowed for sale in these concession spaces are beer and wine, and they must be sold within the food concept. Successful Respondents offering beer and/or wine for sale must comply with the appropriate liquor laws and ordinances of the City of Phoenix and State of Arizona. A separate lounge is prohibited.

The Successful Respondent must provide and maintain trash receptacles in the seating areas. The Successful Respondent must provide furniture for the seating areas, and maintain the areas. Maintenance will consist of trash removal, busing tables, wiping tables and furniture cleaning, collecting and cleaning food trays (if applicable), mopping floors, etc.
## Restaurant and Lounge and Quick Serve

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other F&amp;B Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3S-F8</td>
<td>South Concourse</td>
<td>4,424</td>
<td>2%</td>
<td>Quick Serve directly across, Café Focused Wine, Craft Alcohol or Craft Beer, Café/Bar, News/Convenience/Coffee</td>
</tr>
<tr>
<td>2</td>
<td>T3N-F10</td>
<td>North Concourse</td>
<td>7,606</td>
<td>2%</td>
<td>News/Convenience/Coffee directly across</td>
</tr>
</tbody>
</table>

Each block of space has been designated for a full service casual dining restaurant and lounge, and several quick serve concepts. The City is recommending Respondents allocate approximately 2,500 square feet to a full service restaurant and lounge, and the remaining space to quick serve concepts including seating to support the Quick Serve concepts.

With respect to the number and types of quick serve concepts, the Respondent for ID# T3N-F10 should include 3 to 4 concepts and consider including: (a) a hamburger concept, (b) a sandwich, soup and salad concept, and (3) a Mexican food concept. The types of other quick serve concepts would be at the discretion of the Respondent. The Respondent for ID# T3S-F8 will also be the operator of ID# T3S-F7, which includes a quick serve concept. The City expects the Respondent to develop a concept plan that is complimentary for both spaces, including all meal parts of the day.

## Restaurant and Lounge

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other F&amp;B Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3P-F2</td>
<td>Lobby</td>
<td>4,525</td>
<td>40%</td>
<td>Coffee and Quick Serve</td>
</tr>
</tbody>
</table>

The concessions space has been designated for a full service restaurant and lounge. The City expects the full service restaurant and lounge to have an open design that allows for some patio-type seating. The concept is expected to convey a family friendly, comfortable and enticing atmosphere, even for customers dining alone. Quick Serve concepts are prohibited in this space.
Two concession spaces have been designated for stand-alone coffee concepts. The stand-alone coffee concepts must sell a variety of freshly brewed coffees and teas including lattes, cappuccinos, espressos, flavored teas and iced and/or decaffeinated coffees and teas. Hot chocolate and milk should also be offered. In addition to selling coffee, the Successful Respondent may sell a variety of food and beverage items including pre-packaged sandwiches, packaged snack foods, baked goods and other non-alcoholic beverages. The Lobby concession space may develop a coffee concept that includes the sale of alcoholic beverages for immediate consumption. The Ticketing concession space may not sell alcoholic beverages for immediate consumption.

Since there are no other retail offerings on the pre-secure side of terminal, the stand-alone coffee concept in the Ticketing area is expected to have a small retail component consisting of reading materials, sundries, pre-packaged snacks and bottled/canned beverages, travel accessories, luggage, and souvenirs/gifts.

The Successful Respondent will be expected to design and configure the concession space to expeditiously serve customer and eliminate queues. In addition, the Successful Respondent will be expected to provide comfortable seating areas at both locations for those customers who would prefer to consume their food and beverages on-site.

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### Vending Machines

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other F&amp;B Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N/A</td>
<td>Baggage Claim</td>
<td>50</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lobby</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>North Concourse</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>South Concourse</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>South Concourse</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each vending machine location is expected to contain 1 vending machine. The Successful Respondent may only sell cold, packaged non-alcoholic beverage, including national name brand bottled water, sodas, juices, sports and energy drinks. Bottled water must be sold in every vending machine. The sale of hot beverages, alcoholic beverages, generic or off-brand name beverages, and food or retail merchandise is prohibited. The sale of beverages in glass containers is strongly discouraged. The vending machines must accept payment by coin, dollar bill, credit card, and debit card, and make change. The Successful Respondent must install vending machines with the latest design and vending technology, i.e. capability to report daily sales, product shortages and machine malfunctions electronically. Each vending machine must be labeled with a clearly visible telephone number to which malfunctions can be reported. The vending machine may only feature advertising directly related to the beverage products sold within each vending machine. Any vending machine with advertising unrelated to the beverage products sold within the vending machine must have the prior written approval of the Aviation Director before the installation and display of such advertising.
This section of the RCS contains a list of the retail categories selected for Terminal 3’s Retail Program. Each category contains a description of the types of concepts and merchandise desired by the City. The categories are listed in alphabetical order with the exception of the News/Convenience category, which is listed first. In addition, the retail category descriptions include information about the package number and Store ID that specifies the location of the concession space, amount of square feet allocated to each concession space location, and other categories located in the area of the category. A terminal diagram map is available at: [https://www.phoenix.gov/solicitations/493](https://www.phoenix.gov/solicitations/493)

Each retail category includes a Sample Merchandise List, which contains a list of approved merchandise that could be sold in the concession space(s). The list is not intended to be all-inclusive. In addition, Respondents should note the City is interested in selecting concepts that are unique and distinctive from other concepts and/or merchandise offered at PHX or other airports. Respondents should also choose concepts that fit the retail category described and are not duplicative of other concepts in the vicinity of the concept being proposed. Merchandise prohibited by federal or state law will not be allowed to be sold from any of the concession spaces, and under no circumstances can marijuana be sold at the Airport from any of the concession spaces.

Respondents should note the City would prefer certain retail categories be branded concepts that are nationally or locally/regionally recognized with an off-airport location. The retail categories with a preference are indicated as such. A store selling nationally branded merchandise with a non-brand store name is not what the City would consider a “national” brand name store. An example of a store not meeting the City’s preference would be a cosmetics store selling nationally branded cosmetics called “Ethel’s Cosmetics”. It is important the brand name(s) merchandise sold inside the store be communicated on the exterior of the store on the sign band.

The City desires each concession space be utilized for maximizing customer service and revenues. The amount of space stated in each Retail Category will be the amount leased to each Successful Respondent. If the Respondent believes it needs less space to maximize gross sales and rent revenues, then the successful Respondent will be allowed to designate a portion of the space for storage. However, the City will not allow the storage space to be greater than the maximum amount indicated under each Retail Category Description. The space allocated to storage will need to be improved. The cost of improvements will be at the discretion of the Respondent and must comply with all applicable codes, ordinances, rules, regulations, and life safety requirements. The remaining square feet will be improved at a cost of $350 per square foot.
A. List of Retail Categories

1. News/Convenience
2. Chocolates/Candy (national or local/regional concept preference)
3. Contemporary Art and Local/Regional Crafts or Native American
4. High Tech
5. Souvenirs
6. Travel Accessories (national brand preference)
7. Women's/Men's Clothing and Accessories (national brand or local/regional concept preference)

B. General Standards

The following general standards will be applied to the Retail Program in Terminal 3.

1. For each national name brand or local/regional concept proposed, the quality of the merchandise at T3 should be the same as the merchandise at the concept’s street location. The City expects the national name brand or local/regional concept’s T3 merchandise, in terms of the number and variety of items, to be as close as reasonably possible to the concept’s street location(s).

2. All concepts must be open each day 90 minutes prior to the first flight leaving on the concourse the unit is located and must stay open until 30 minutes after the last flight departs on the concourse the unit is located.

3. The successful Respondents are encouraged to use the latest technology to increase their ability to serve customers quickly and efficiently.

4. Each concession space is expected to be developed for revenue producing purposes, except for areas provided for seating and storage.

5. Each successful Respondent will be responsible for providing all capital investment for all concession spaces in its package, including furniture, fixtures and equipment; and furniture for seating areas (if applicable).

6. Any concept selling bottled wine for consumption off-airport must offer shipping services at a reasonable cost. The sale and shipment of all liquor must comply with the appropriate liquor laws and ordinances of the City of Phoenix and State of Arizona and the liquor laws of the state that the shipments are made to.
7. The successful Respondent must offer the same promotions and discounts, and sell and accept gift cards and frequent buyer cards offered in the concept’s street location(s). Customers should not see any difference between the concept’s airport location and its street location.

8. The Successful Respondent must keep up with Retail trends, and change product offerings to reflect customer needs and preferences. All changes to product offerings and prices must have the prior written approval of the Aviation Director.

C. Space Allocated to Retail Categories

News/Convenience

The four News/Convenience stores are expected to carry the following merchandise categories: reading materials, sundries, pre-packaged snacks, bottled/canned beverages, souvenirs, gifts, and other miscellaneous merchandise. All the News/Convenience stores, with the exception of the Lobby store, will be able to sell pre-packaged sandwiches, salads, and healthy snacks; as well as freshly made pastries, donuts and bagels; and freshly brewed coffee and teas. The Lobby store will not be able to sell coffee, pre-packaged sandwiches, salads, or freshly made pastries, donuts and bagels. In addition, the sale of alcoholic beverages for immediate consumption will not be allowed in any News/Convenience store.

The large News/Convenience store at the beginning of the South Concourse, T3S-R8, will be required to develop a specialty retail store-within-a-store concept. Respondents will be required to propose a concept that complements the other retail offerings in the area and the Terminal. More details are provided below in the subsection titled Specialty Retail – Store-Within-a-Store.

The list below indicates the location of the News/Convenience concession spaces and the other retail categories located in the vicinity of the News/Convenience spaces.
### Required Merchandise

<table>
<thead>
<tr>
<th>Required Merchandise</th>
<th>T3P-R1</th>
<th>T3N-R14</th>
<th>T3S-R12</th>
<th>T3S-R8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading Materials</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sundries</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pre-Packaged Snacks and Bottled/Canned Beverages</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pre-Packaged Sandwiches, Salads, and Healthy Food Options; and Freshly Baked Pastries, Donuts and Bagels</td>
<td>Not Allowed</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Freshly Brewed Coffee/Tea</td>
<td>Not Allowed</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Souvenirs, Gifts and Other Miscellaneous Merchandise</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Specialty Retail Concept – Store-Within-a-Store</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 1. Reading Materials

The reading materials section of the News/Convenience store consists primarily of newspapers, magazines, and books. The News/Convenience stores are expected to offer a variety of reading materials, including the top 20 paperback and hardcover books from the New York Times Best Seller list. The newspapers and magazines section is expected to include a selection of local and national newspapers, including but not limited to The Phoenix Business Journal, The Arizona Republic, Wall Street Journal, New York Times and USA Today. The periodical section is expected to include an assortment of magazine titles. Examples of subject areas include the following: business, entertainment, fashion, cooking, gourmet foods and wine, health and fitness, sports, electronics/high tech, science, and politics.

The book section is expected to carry hard cover and paperback books appealing to both business and leisure travelers. Examples of reading categories that should be carried include the following: fiction, non-fiction, reference, children’s books, self-help, etc.
advice and how-to, cooking, art, travel, and books related to the Phoenix/Arizona area. In addition, travel guides and local area maps should be carried in the stores.

Sample Merchandise List:
Newspapers
Magazines and other periodicals
Top 20 paperback and hardcover books from the New York Times Best Seller list
Travel guides and maps

2. Sundries Section

The sundries section is expected to carry items that passengers may need on their trip or normally carry with them but left at home. Items include aspirin, comb/brush, toothbrush and toothpaste, deodorant, cold tablets, lotion, razor, shaving cream, personal hygiene items, etc. The merchandise in this section should include travel size and full-size items. In addition, the Sundries section is expected to carry a selection of greeting cards and reading glasses.

Sample Merchandise List:
Aspirin, cough and cold medication, and other pain remedies
Combs and hairbrushes
Toothpaste, toothbrushes and mouth wash
Razors and shaving cream
Prepaid disposable cell phones
Batteries
Sunglasses and reading glasses (under $25)

Greeting cards and stationery
Post cards
Personal hygiene items
Note pads, pens, pencils and other office supplies
Individually packaged disposable diapers for children and adults
Travel alarm clocks
Panty hose
Stamps

3. Pre-Packaged Snacks and Bottled/Canned Beverages

The News/Convenience stores are expected to carry pre-packaged snacks such as gum, candy, mints, chips, and a variety of bottled/canned beverages. The size of pre-packaged snacks should include single-sized servings as well as full-sized packages found in most grocery and convenience stores.
4. **Pre-Packaged Sandwiches, Salads and Healthy Food Options; and Freshly Baked Pastries, Donuts and Bagels**

The News/Convenience stores with the exception of ID# T3P-R1 are expected to carry pre-packaged sandwiches, salads, and healthy food options. Examples of healthy food options (including gluten free, vegetarian and vegan) and snacks appealing to children include hummus and crackers/pretzels, yogurt, fresh fruit (i.e. apples, oranges, and bananas), Jello, fruit cups, vegetable sticks, cheese sticks. The operator may also sell freshly baked pastries, donuts and bagels. The operator will not be allowed to prepare, package/assemble or cook any of the items on the premises. The amount of space allocated to this section of the News/Convenience store will be limited to no more than 20% of the floor space. It is not the City’s intention for the News/Convenience stores to become food and beverage units.

5. **Freshly Brewed Coffee and Teas**

The News/Convenience stores, with the exception of ID# T3P-R1, are expected to sell freshly brewed coffee and teas. The coffee concept should be a national brand or local full service coffee concept. The City expects the operator to offer a variety of coffees, including light and dark roasts; and for the coffee to be freshly brewed on-site. In addition, the operator may provide a small seating area for customers to drink their beverages on-site. In concession space ID# T3S-R8, the operator will be required to locate seating in a specific area of the store. Respondents should refer to the Concessions Tenant Design Criteria in Exhibit 3 D for the specific location designated for seating in the concession space.

The Successful Respondent must provide and maintain trash receptacles in the seating areas. The Successful Respondent must provide furniture for the seating areas, and maintain the areas. Maintenance will consist of trash removal (based on a schedule approved by Aviation), busing tables, wiping tables and furniture clean, mopping floors, etc.

6. **Souvenirs, Gifts, and Other Miscellaneous Merchandise**

The souvenirs and gifts sections in the News/Convenience stores are expected to carry a variety of Arizona memorabilia, including a selection of merchandise made in Arizona unique to the PHX market. It is the City's objective to offer customers a broad range of quality merchandise, and not duplicate merchandise found in other surrounding PHX retail stores. In order to achieve this objective, the News & Gifts spaces will be limited to 5% of floor space to the sale of merchandise found in other retail store(s) on the same concourse, or in close proximity to the News & Gifts store in the Lobby. For example, the Lobby store will be limited to no more than 5% of floor space to the sale of women's and men's clothing and accessories (except for souvenir t-shirts and
sweatshirts), high tech, and travel accessories.

Sample Merchandise List:
- Souvenir t-shirts and sweatshirts
- Mugs and shot glasses
- Candles and candleholders
- Hand painted tiles and coasters
- Cactus gardens and wind chimes
- Caps and hats
- Children's toys and clothing
- Picture frames
- Magnets and key chains
- Ornaments
- Soaps
- Playing cards
- License plate covers and bumper stickers
- Small household items
- Soft sided and wheeled luggage
- Bottled wine (as long as all applicable State laws are followed)
- Olive Oil

7. **Specialty Retail Concept**

The large News/Convenience store on the South Concourse, ID# T3S-R8, will be required to allocate at a minimum 750 square feet of space to a specialty retail concept. The store may be operated by the Respondent or subleased. It may be a stand-alone store or designed to be a store-within-a-store concept. The concept is expected to complement the merchandise designated for the other retail spaces on the South Concourse and in the Terminal. In addition, the concept should be a national brand or local concept. The City will not consider a specialty retail concept comprised of generic souvenir merchandise. The store-within-a-store concept is expected to be distinctive and unique to T3’s program.

**Chocolates/Candy**
(National Brand or Local/Regional Concept Preference)

<table>
<thead>
<tr>
<th>Pkg</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other Retail Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>T3P-R5</td>
<td>Lobby</td>
<td>975</td>
<td>5%</td>
<td>Travel Accessories, High Tech, and Women’s and Men’s Boutique</td>
</tr>
</tbody>
</table>

It is the City's preference the concession space be a national brand or local/regional specialty confection concept selling variety of chocolates and/or candy, including bulk and pre-packaged. The concept may include one or more of the following types of
confections: chocolates, caramels, toffee, fudge, hard and soft candies, brittle, jelly candies, licorice, peanut bars, mint candies, truffles, candy apples, chocolate covered strawberries, taffy and flavored popcorn. In addition, the concept is expected to carry sugar free confections. Utility and plumbing connections will be available in the unit for sinks and running water, and the inclusion of refrigeration units for storage.

The chocolates/candy concept is not intended to be a food and beverage concept. Therefore, the sale of fountain drinks, ice cream, cookies, cupcakes, muffins and other food and beverage items will not be permitted. In addition, the concession spaces are not intended to sell general merchandise and souvenirs. Only merchandise manufactured by the chocolates and candy companies, which complements the concept, will be permitted.

Sample Merchandise List:
Chocolates
Soft and hard candies
Truffles
Caramels
Brittle and toffee
Peanut bars
Licorice
Soft and hard candies
Taffy
Flavored popcorn
Fudge
Candy apples
Chocolate covered strawberries
Sugar-free confections

Contemporary Art and Local/Regional Crafts
or Native American

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other Retail Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3S-R9</td>
<td>South Concourse</td>
<td>1,457</td>
<td>30%</td>
<td>News &amp; Gifts and High Tech</td>
</tr>
</tbody>
</table>

A Contemporary Art and Local/Regional Crafts store is expected to feature unique, contemporary art and local/regional crafts in a gallery style. The merchandise is expected to be of high quality. Merchandise may include ceramics, original hand paintings and watercolors, prints, photography, exotic woods, colorful art glass, unique handcrafted jewelry, and sculptural works. Artists and craftspeople from Arizona and the Phoenix area should be featured, as well as other U.S. and international artists.

If a Respondent chooses to develop the concession space into a Native American
store, the operator is expected to offer a wide selection of authentic handmade Native American products in a contemporary setting. Merchandise may include items such as hand-crafted pottery; hand-woven blankets, rugs, and baskets; Native American jewelry; Native American artifacts such as dream-catchers, moccasins, wood and stone carvings/figurines, and richly decorated Kachina dolls; and concho belts and bola ties. Native American artwork could also be offered. The artwork is expected to be of high quality, such as the Legends line of sculptures depicting Native Americans, cowboys and nature scenes. In addition, the operator may offer books and CDs/DVDs on topics related to Native American history.

Jewelry in the Native American store is expected to feature both traditional and contemporary authentic high-quality Native American jewelry, including earrings, bracelets, necklaces, anklets, rings, and other jewelry related accessories. The Native American jewelry should be representative of the style and history of local Native American communities, using materials such as silver, turquoise, black jade, coral, and lapis.

Ninety percent (90%) of the floor space in the store is required to be allocated to the sale of merchandise crafted by Native Americans, thereby, limiting the sale of imitation Native American products to 10% of the store’s floor space.

The store should be designed to reflect a strong Native American theme and include special store appointments such as hand woven rugs on the floor and blankets/tapestries on the walls. The store’s sales staff is expected to be knowledgeable and conversant on the history of Native American crafts as well as the artists of the crafts being offered.

Respondents should note that the sale of generic souvenir merchandise, such as t-shirts, mugs, and shot glasses, will not be permitted in either concept.

Contemporary Art and Local/Regional Crafts Sample Merchandise List:

<table>
<thead>
<tr>
<th>Art glass</th>
<th>Picture frames</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and watercolor paintings</td>
<td>Clocks</td>
</tr>
<tr>
<td>Sculptures</td>
<td>Candles and candle holders</td>
</tr>
<tr>
<td>Hand woodcarvings</td>
<td>Mosaics</td>
</tr>
<tr>
<td>Metal and rock art</td>
<td>Mobile art</td>
</tr>
<tr>
<td>Mixed media art</td>
<td>Unique/one-of-a-kind jewelry</td>
</tr>
<tr>
<td>Paper crafts</td>
<td>Books related to the theme of the store</td>
</tr>
<tr>
<td>Ceramic and porcelain artwork</td>
<td>Holiday and special occasion artwork</td>
</tr>
<tr>
<td>Prints and photography</td>
<td>Other related artwork</td>
</tr>
</tbody>
</table>

Attachment B-9
Native American Sample Merchandise List:
Hand woven baskets, blankets, rugs and tapestries  Native American music
Bola ties and concho belts  Jewelry boxes
Carvings, figurines and sculptures  Kachina dolls
Dream-catchers and mandellas  Moccasins
Drums and flutes  Pottery
Headdresses  Leather belts and belt buckles
Jewelry  Books on Native American culture or directly related to the concept

High Tech

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other Retail Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>T3P-R3</td>
<td>Lobby</td>
<td>976</td>
<td>5%</td>
<td>Travel Accessories, Chocolate/Candy and Women’s and Men’s Boutique</td>
</tr>
<tr>
<td>1</td>
<td>T3S-R11</td>
<td>South Concourse</td>
<td>1,046</td>
<td>10%</td>
<td>New &amp; Gifts and Contemporary Art/Native American</td>
</tr>
<tr>
<td>1</td>
<td>T3N-R13</td>
<td>North Concourse</td>
<td>TBD by Respondent</td>
<td>5%</td>
<td>Souvenirs and News &amp; Gifts</td>
</tr>
</tbody>
</table>

The operator of the High Tech concept will be expected to carry a variety of the latest in consumer electronics and accessories for entertainment, information, and education. The City has established three product categories for high tech merchandise: (1) high tech hardware, (2) high tech accessories and peripherals, and (3) all other high tech merchandise. The high tech hardware category consists of national name brand merchandise including laptop computers, tablet computers, digital music and movie players, mobile phones except pre-paid/disposable phones, digital cameras, and wearable processing devices aka “wearable technology” (i.e. Google glasses and smartwatches, but not headphones). The high tech accessories category includes headphones, earphones, keyboards, key pads, speakers, mice, chargers, cables and connectors, adaptors, portable memory storage devices, SIM cards, battery back-ups, covers for mobile devices, screen protectors, and pre-paid/disposable phones. All other merchandise not specified in the above two categories will be designated in the third category “all other high tech merchandise”.

Attachment B-10
The operator is expected to keep up with trends and feature the latest in consumer electronics in each of the product categories and offer an in-store experience that allows customers to try-out products and participate in live product demonstrations. In addition, the operator is expected to offer customers the ability to download movies. Sales personnel are expected to have the skills and knowledge related to the products offered in the store.

It should be noted that space ID# T3N-R13 does not have a specific amount of square feet assigned to the concept. The reason is that the entire space encompasses 1,881 square feet and provides for a Souvenir concept as well. The City is allowing the Respondent to determine the exact amount of space allocated to each concept.

**Sample Merchandise List:**

<table>
<thead>
<tr>
<th>Battery back-ups</th>
<th>Mobile phones, including prepaid/disposable phones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases/ covers for all portable devices</td>
<td>Monitors</td>
</tr>
<tr>
<td>Chargers, cables, connectors, and adaptors</td>
<td>Network cards</td>
</tr>
<tr>
<td>Digital cameras</td>
<td>Portable memory storage devices</td>
</tr>
<tr>
<td>Digital music and movie players</td>
<td>Screen protectors</td>
</tr>
<tr>
<td>Headphones and earphones</td>
<td>SIM cards</td>
</tr>
<tr>
<td>Key pads, keyboards and mice</td>
<td>Speakers</td>
</tr>
<tr>
<td>Laptop and tablet computers</td>
<td>USB flash drives</td>
</tr>
<tr>
<td>Wearable tech</td>
<td></td>
</tr>
</tbody>
</table>

**Souvenirs**

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other Retail Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3N-R13</td>
<td>North Concourse</td>
<td>TBD by Respondent</td>
<td>5%</td>
<td>News &amp; Gifts and High Tech</td>
</tr>
</tbody>
</table>

The concession space is expected to carry a variety of unique Arizona memorabilia and merchandise made in Arizona. The design of the concession space is expected to incorporate a theme that is reflective of the Phoenix and/or surrounding Arizona areas. In addition, the operator of the store will be prohibited from allocating more than 5% of floor space to any one category or product line of souvenirs. For example, the City does not want a souvenir store to carry primarily t-shirts and sweatshirts. It is the
objective of the City to offer customers a broad range of unique and quality merchandise that is distinctive to PHX. Respondents will be permitted to sell authentic Native American souvenirs, however the store cannot specialize solely in Native American merchandise nor can the store have a Native American theme.

The Successful Respondent(s) for the concession space is expected to demonstrate that the Souvenir store will be different from the typical souvenir stores found in other airports with respect to merchandise, store design, and theme. The list below contains traditional souvenir merchandise that is expected to be offered in the store however, other merchandise that is unique and distinctive from traditional airport souvenir merchandise should be included in the merchandise mix.

It should be noted that the space does not have a specific amount of square feet assigned to the concept. The reason is that the entire space encompasses 1,881 square feet and provides for a High Tech concept as well. The City is allowing the Respondent to determine the amount of space allocated to each concept.

**Sample Merchandise List of Traditional Souvenir Merchandise:**

<table>
<thead>
<tr>
<th>T-shirts and sweatshirts</th>
<th>Picture frames</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mugs and shot glasses</td>
<td>Magnets and key chains</td>
</tr>
<tr>
<td>Candles and candle holders</td>
<td>Playing cards</td>
</tr>
<tr>
<td>Cactus gardens and wind chimes</td>
<td>License plate covers and bumper stickers</td>
</tr>
<tr>
<td>Caps and hats</td>
<td>Small household items</td>
</tr>
<tr>
<td>Coasters</td>
<td></td>
</tr>
<tr>
<td>Collector spoons</td>
<td></td>
</tr>
</tbody>
</table>

**Travel Accessories**
(National Brand Preference)

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other Retail Categories in the Area</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>T3P-R4</td>
<td>Lobby</td>
<td>922</td>
<td>5%</td>
<td>High Tech, Chocolate/Candy, Women’s/Men’s Clothing and Accessories Boutique, and News &amp; Gifts</td>
</tr>
</tbody>
</table>

It is the City’s preference the concession space be a national brand name store carrying a variety of travel accessories, luggage, leather goods, and handbags for both
women and men. In addition, the merchandise should address the needs and preferences of both business and leisure travelers. The store will be limited to 1% of floor space to the sale of high tech merchandise since there will be a High Tech store next to the Travel Accessories store. The City would accept a store carrying 90% to 100% nationally branded merchandise with a non-national brand store name. However, the brands inside the store would have to be immediately recognized and communicated to travelers as they look at the store by way of exterior signage and graphics.

**Sample Merchandise List:**

<table>
<thead>
<tr>
<th>Luggage</th>
<th>Handbags</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neck pillow and blankets</td>
<td>Duffle bags</td>
</tr>
<tr>
<td>Leather wallets and belts</td>
<td>Backpacks</td>
</tr>
<tr>
<td>Passport and currency wallets</td>
<td>Waist/utility packs</td>
</tr>
<tr>
<td>Luggage tags and locks</td>
<td>Packing organizers</td>
</tr>
<tr>
<td>Umbrellas</td>
<td>Toiletry cases</td>
</tr>
<tr>
<td>Business card cases</td>
<td>Clothing care</td>
</tr>
<tr>
<td>Brief cases</td>
<td>Other travel accessories</td>
</tr>
<tr>
<td>Travel/carry-on bags</td>
<td></td>
</tr>
</tbody>
</table>

**Women's/Men's Clothing and Accessories Boutique**

(National Brand or Local/Regional Concept Preference)

<table>
<thead>
<tr>
<th>Pkg.</th>
<th>Store ID</th>
<th>Location</th>
<th>Concession Space Sq. Ft.</th>
<th>Max. % Allowable for Storage</th>
<th>Other Retail Categories in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>T3P-R2</td>
<td>Lobby</td>
<td>1,756</td>
<td>30%</td>
<td>News &amp; Gifts, Travel Accessories, High Tech, and Candy/Chocolates</td>
</tr>
</tbody>
</table>

The concession space is expected to carry a variety of both women's and men's casual wear clothing and accessories. The store may focus on a specific type of clothing and accessories, e.g., athletic wear; or an assortment of women's casual wear that may include tops, dresses, skirts, pants, jeans, leggings, shorts, athletic wear, underwear/shapewear, and swim wear. The men's section of the store may also focus on a specific type of clothing and accessories, or carry an assortment of men's casual wear that may include polo shirts, casual button down shirts, athletic wear, jeans, dress shirts, ties, belts, and underwear and socks. The Respondent may also consider
developing the space into a store-within-a-store concept or two separate branded stores that carry women’s and men’s clothing and accessories. The City is expecting the Respondent to develop the space that will have the greatest appeal to travelers.

It is important that the store(s) carry stylish merchandise at a variety of price points and sizes. In addition, the store(s) is expected to have a changing room for the convenience of customers that may want to try-on merchandise.

**Sample Merchandise List:**

<table>
<thead>
<tr>
<th>Men's Clothing and Accessories</th>
<th>Women's Clothing and Accessories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polos</td>
<td>Tops</td>
</tr>
<tr>
<td>Golf attire</td>
<td>Dresses and skirts</td>
</tr>
<tr>
<td>Casual button down shirts</td>
<td>Sweaters and jackets</td>
</tr>
<tr>
<td>Athletic wear</td>
<td>Athletic Wear</td>
</tr>
<tr>
<td>- Workout clothes</td>
<td>- Workout Clothes</td>
</tr>
<tr>
<td>- Athletic shoes</td>
<td>- Yoga Clothes</td>
</tr>
<tr>
<td>Jeans</td>
<td>- Athletic Shoes</td>
</tr>
<tr>
<td>Shorts and pants</td>
<td>Jeans</td>
</tr>
<tr>
<td>Dress shirts</td>
<td>Pants and shorts</td>
</tr>
<tr>
<td>Jackets</td>
<td>Underwear/shapewear</td>
</tr>
<tr>
<td>Sweaters and sweatshirts</td>
<td>Swim suits and cover ups</td>
</tr>
<tr>
<td>Swim wear</td>
<td>Shoes, athletic shoes, sandals and flip flops</td>
</tr>
<tr>
<td>Shoes, athletic shoes, sandals and flip flops</td>
<td>Accessories</td>
</tr>
<tr>
<td>- Accessories</td>
<td>- Accessories</td>
</tr>
<tr>
<td>- Ties and belts</td>
<td>- Belts</td>
</tr>
<tr>
<td>- Underwear and socks</td>
<td>- Fashion jewelry</td>
</tr>
<tr>
<td>- Caps</td>
<td>- Handbags</td>
</tr>
<tr>
<td></td>
<td>- Hats and scarves</td>
</tr>
</tbody>
</table>
ATTACHMENT C

CITY OF PHOENIX

TERMINAL 3 FOOD AND BEVERAGE CONCESSIONS LEASE

between

THE CITY OF PHOENIX,
an Arizona municipal corporation

and

______________________________

__________

dba _________________________
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<td>Support Space</td>
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<td>LESSEE OPERATING STANDARDS</td>
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<td>Employee Standards</td>
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<td>Management</td>
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<td>Menu/Food Quality</td>
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Attachment C-iii
This FOOD AND BEVERAGE CONCESSION LEASE ("Lease") is made and entered into this _____ day of __________, 2017 ("Effective Date"), by and between the CITY OF PHOENIX, a municipal corporation of the State of Arizona (hereinafter referred to as the "Lessor" or "City"), and __________________________ (hereinafter referred to as “Lessee”), whose principal place of business is located at ________________________________.

RECITALS

1. Lessor is the owner and operator of Phoenix Sky Harbor International Airport ("Airport") in Phoenix, Arizona, including Terminal 3 ("T3").
2. Lessor desires to grant to Lessee the non-exclusive rights specified in this Lease and to establish the terms and conditions for the operation of Lessee's food and beverage ("F&B") concessions in T3.
3. Lessor desires to have existing F&B facilities renovated, upgraded and remodeled to offer the traveling public current F&B concepts.
4. Lessor has solicited responses from F&B concessionaires for T3 and Lessor has negotiated with Lessee to operate first class F&B concessions for the convenience and necessity of the customers, passengers and public using T3.
5. At any time during the term of this lease, Lessor reserves the right to add or change F&B concessions in T3.
6. Lessee is responsible for all contractual obligations of its F&B operations in T3, including those F&B operations operated by its Airport Concessions Disadvantaged Business Enterprise (ACDBE), Disadvantaged Business Enterprise (DBE), small business, sublease, and joint ventures Partners (collectively referred to in this Lease as "Partners").
7. On _____, 2017, Phoenix City Council approved Ordinance S-______ authorizing this lease.

NOW, THEREFORE, in consideration of the foregoing recitals, which the parties acknowledge are a part of this Lease, and of the following terms and conditions which are agreed by and between the parties as follows:
SECTION 1

TERM

SECTION 1.1 – Initial Term

The Initial Term of this Lease shall commence on the Effective Date listed above and shall extend until Lessee begins all F&B operations included under this Lease for T3 or January 31, 2020.

SECTION 1.2 – Primary Term

The Primary Term of this Lease shall commence when Lessee begins all F&B operations included under this Lease for T3, or February 1, 2020. The Primary Term will expire on December 31, 2030, unless this Lease is terminated earlier as hereinafter provided. If Lessee begins all operations on a day other than the first day of the month, all monetary obligations under the Lease will be prorated for the remainder of the month.

SECTION 2

PREMISES AND PRIVILEGES

SECTION 2.1 - Premises

2.1.1 Lessor hereby leases to Lessee those Premises and facilities in T3 shown on the drawings attached to this Lease and denoted as “Premises” in Exhibit 1-C (“Premises”), which occupy approximately _____ square feet (sq. ft.) for concessions space. Lessor grants Lessee the right of ingress and egress to and from the Premises on public access roadways, sidewalks and areas of the Airport. If available, Lessee may lease additional support space at the Airport at the current rates authorized by Phoenix City Code, subject to annual adjustment.

2.1.2 If available, Lessee may lease support space at the Airport at the current rates authorized by Phoenix City Code, subject to annual adjustment. Any leased support space will be added to Exhibit 1-C prior to lease execution.

2.1.3 Lessee leases the Premises after a full and complete examination of the Premises and the title, and has full knowledge of the present uses and non-uses. Lessee accepts the foregoing in the condition or state in which they now are “as-is” without any representation or warranty, express or implied in fact or by law, by Lessor and without recourse to Lessor as to the title, nature, condition or usability or use to which the Premises may be put. Lessor shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Premises other than those expressly provided in this Lease. Lessee assumes the full and sole responsibility for the condition, operation, repair and maintenance of the Premises.

SECTION 2.2 - Rights and Privileges

2.2.1 Lessor hereby grants to Lessee a nonexclusive right to engage in business at the Premises as a F&B concessions operator, a commercial activity defined and regulated
by this Lease and the Phoenix City Code, to operate the concession concepts identified in Exhibit 2-C ("Concepts"). Lessee shall use the Premises for no other purpose. Lessor may grant rights to others to conduct the same or similar operations in T3, including the sale of packaged food, alcoholic and non-alcoholic beverages, and retail merchandise.

2.2.2 It is the objective of Lessor and Lessee that each T3 concession unit maintains a distinctive quality. Therefore, each F&B concession unit must be operated in compliance with Exhibit 2-C. Any modifications to Exhibit 2-C must be approved in writing, in advance, by Lessor.

2.2.3 Lessee shall incorporate the use of non-alcoholic beverage vending machines in its operating plan at locations specifically noted in Exhibit 1-C. Beverage vending machine products should include an assortment of national name brand bottled water, sodas, juices, sports and energy drinks. National name brand bottled water is required at each vending machine location. Any additional beverage vending machine locations are subject to the Lessor’s approval prior to placement (for Package 1).

2.2.4 The Lessor reserves the right to require modification to Lessee’s merchandise plan.

2.2.5 Unless expressly provided by this Lease, Lessee shall not operate electronic games or vending machines containing any food or retail items on the Premises.

2.2.6 Lessor reserves the right, in its sole discretion, to install one (1) or more public address system speakers on or within the Premises for announcing flight arrivals and departures and other Airport information. Lessee shall not install any public address or paging system on the Premises.

2.2.7 The rights and privileges described in this Section may be modified by Lessor to implement the purpose and intent of this Lease.

2.2.8 Lessee shall have the right and obligation to construct Leasehold Improvements to the Premises for use in its F&B concession units in accordance with Section 7.

2.2.9 As a condition of its right to occupy the Premises, Lessee shall ensure the operation of any wireless access point does not cause interference with existing communication users, including, without limitation, aviation-related operations and equipment at the Airport, the operation of any existing wireless users operating at the Airport, and the Airport’s own radio systems. If the operation of Lessee’s wireless access point causes any interference to any existing users, Lessee shall take all steps necessary to remove the cause of the interference. Lessee shall cooperate with the Lessor and any necessary third parties to identify and eliminate the cause of the interference. If Lessor determines, in its sole discretion, that Lessee’s wireless access point or signals being transmitted by means of the wireless access point, are the cause of any interference, Lessor may direct Lessee to immediately cease operation of all or any portion of Lessee’s wireless access point, or otherwise take action to eliminate the interference at sole cost to Lessee.

Lessee shall submit for Lessor’s approval any and all television programming packages (including content of all channels) to be used within the Premises, prior to Lessee’s implementation of such programming. The volume of all television programming must be set at a level that does not disturb other Airport operations or passengers. It is expressly agreed, however, that any programming related to any accident or incident involving a commercial passenger airline may only be included in the programming without graphic video coverage of the accident site, unless the incident involves a national emergency or threat to security. In accordance with 49 CFR 27.71 (i), Lessee must ensure that the captioning function is enabled on all televisions for any programming, live or pre-recorded, shown within the Premises. The
Airport conducts periodic monitoring for the captioning function and will notify the Lessee in writing about noncompliance. A Lessee that receives three Airport notifications within one calendar year could be subject to further Airport action, including fine or citation.

2.2.10 Lessee may participate in the Airport’s Employee Parking Program, in accordance with all rules and regulations promulgated by the Aviation Department, and Phoenix City Code. Lessee shall be responsible for any parking fees for anyone enrolled under Lessee’s account.

2.2.11 Lessor reserves the right to develop, construct, and operate a Consolidated Receiving and Distribution Center (CRDC) during the term of the lease. Lessee, along with Lessee’s subtenants, joint venture partners and authorized vendors will be required to utilize this facility. Tenant costs associated with the CRDC will be assessed, if developed.

2.2.12 Lessor reserves the right to solicit and contract for airport wide exclusive beverage rights to include brands of bottled, canned and prepackaged beverage at airport food & beverage and retail and any other concessions facilities. This right to solicit will not be applicable until mid-term of the Primary Term.

**SECTION 3
RENT**

**SECTION 3.1 - Gross Sales**

The term “Gross Sales,” as used herein, shall be construed to mean the aggregate amount of all sales made and services rendered at or from the Premises, and any other revenues of any type arising out of or in connection with Lessee’s operation under this Lease on the Premises, regardless of when or where the order therefore is received, where performed by Lessee or its Partners, from the Premises for cash or credit or otherwise, of every kind, name, and nature, regardless of when or whether collected or not, as if the same had been sold for cash, or the fair and reasonable value thereof, whichever is greater. Only the following shall be excluded or deducted from the computation of Gross Sales:

3.1.1 Any and all transaction privilege taxes (sales taxes), excise taxes or related taxes upon or passed through to customers and collected by Lessee on such sales.

3.1.2 Receipts from the sale or trade-in value of any furniture, fixtures or equipment used upon the Premises and owned by Lessee.

3.1.3 The value of any merchandise, supplies or equipment exchanged or transferred from or to Lessee’s other business locations where such exchanges or transfers are not made for the purpose of avoiding a sale that otherwise would be made at or from the Premises.

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

3.1.5 Receipts with respect to any sale where the subject of such sale, or some part thereof, is thereafter returned by a customer to and accepted by Lessee, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit.

3.1.6 The amounts of cash or quantity discounts received from sellers, suppliers and manufacturers.

3.1.7 Expenses charged to customers that are paid by Lessee for the shipment of approved goods sold as a convenience to customers.

3.1.8 The amounts of any gratuities paid or given by customers to Lessee’s employees.
3.1.9 Receipts from the sale, at cost, of uniforms or clothing to Lessee’s employees where such uniforms or clothing are required to be worn by such employees.

3.1.10 Receipts from the sale of garbage or scrap materials resulting from Lessee’s operations at the Premises.

3.1.11 Meal, tip and other wage credits to Lessee’s employees for purposes of compliance with minimum wage laws.

3.1.12 Gift cards sold at the Premises. When a gift card is redeemed or accepted as payment for a purchase at the Premises, the transaction must be reported as part of Gross Sales.

SECTION 3.2 - Credits and Discounts

Lessee may allow customary discounts on sales to its own employees. Lessee shall not be credited with nor allowed to have any reduction in the amount of Gross Sales that results from any arrangements for a rebate, discount or hidden credit given or allowed to any customer, City, or other Airport employees.

SECTION 3.3 - Annual Rent

3.3.1 Immediately upon Lessee’s receipt of monies from the operation of the F&B concessions herein authorized, the portion of monies belonging to Lessor under the terms of this Lease shall immediately be vested in and become the property of Lessor, and Lessee shall be responsible for the monies until the same are delivered to Lessor.

3.3.2 For purposes of this Lease, “Lease Year” means the twelve-month period beginning on January 1st and ending December 31st. “Prorated Lease Year” means the period from when Lessee begins operation or December 31st, whichever occurs first, until the beginning of the first Lease Year, and the period from the last Lease Year until termination.

3.3.3 Lessee, for and in consideration of the use of the Premises, facilities, rights and privileges granted hereunder, hereby covenants and agrees to pay Lessor without notice, and free from any and all claims, deductions or set-offs against Lessor, as rent:

a. For the Initial Term, Lessee shall pay only a Percentage Rent of annual Gross Sales as follows: _______ percent (___%) for _________________________; _______ percent (___%) for _________________________; and _______ percent (___%) for _________________________.

b. For the Primary Term and through each Lease Year of the Primary Term hereof, Lessee shall pay the greater of Minimum Annual Guaranteed (MAG) rent as described below; or Percentage Rent as described above.

3.3.4 MAG for the first full Lease Year will be MAG in the amount of ______________ dollars ($__________). MAG shall be prorated for the Prorated Lease Year. MAG for the second Lease Year and all years thereafter will be established at eighty-five percent (85%) of the annual rent owed by Lessee during the immediate preceding year or one hundred percent (100%) of MAG for the first Lease Year, whichever is greater.

3.3.5 MAG shall be paid in installments in advance on the first day of each month. On each such date Lessee shall pay one-twelfth (1/12) of MAG, plus all applicable taxes.
3.3.6 In the event the required MAG payment specified in Section 3.3.5 is in excess in any one (1) period of an amount that would be due were the Percentage Rent calculation applied, the MAG payment set forth above is nevertheless to be submitted to Lessor.

3.3.7 Although each new MAG will be effective on January 1, the calculation of MAG may not be finalized until later, at which time Lessor will send Lessee written notice of the new MAG amount. Lessee shall then pay Lessor the difference or receive a refund for any current Lease Year MAG payments made prior to the calculation.

3.3.8 If Lessee fails to complete construction on its Leasehold Improvements within its Lessor-approved construction timetable, Lessee shall nevertheless be responsible for MAG per Section 3.3.3.

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

SECTION 3.4 - Percentage Rent Payments and Reports

3.4.1 In computing Percentage Rent to be paid by Lessee, the first reporting period shall commence on the date Lessee opens for business and shall end at the close of business on the last day of the same calendar month. Thereafter, the reporting period shall be on a calendar month basis.

3.4.2 Lessee shall, within twenty (20) days after the close of each month, furnish Lessor a detailed statement of Gross Sales and any deductions from Gross Sales, from each individual F&B concession unit for the preceding month prepared in accordance with Generally Accepted Accounting Principles (GAAP) and certified by a responsible financial officer of Lessee. These Gross Sales reports must show such data and breakdown for Lessee and Lessee’s Partners, including ACDBEs and small businesses, including an itemized list identifying all Gross Sales by Percentage Rent category purchases of Goods & Services and any other type of reporting as may be required by Lessor, and shall be accompanied by Lessee’s payment of additional rent that may be due hereunder based on the application of Percentage Rent, plus all applicable taxes. Lessor may require changes to the format of these reports at any time.

3.4.3 By March 31st of each Lease Year, Lessee is required to submit to Lessor an annual accounting statement of Gross Sales and Percentage Rent for each F&B concession unit, including all Partners, ACDBEs and small businesses in accordance with GAAP. This statement must be prepared and audited by an independent Certified Public Accountant (CPA), in accordance with Generally Accepted Auditing Standards (GAAS). This requirement applies to prorated Lease Years at the start and end of the Lease.

The purpose of the audit is to determine if the Gross Sales and Percentage Rent reported accurately reflect the rents due and paid to Lessor for the Lease Year for each F&B concession unit.

SECTION 3.5 – Rent Remittance

Rent payments shall be made payable in check form to the Aviation Department’s lockbox at Aviation Department, City of Phoenix, P.O. Box 29110, Phoenix, Arizona 85038-
9110. In the event technological advances make point of sale Gross Sales reporting and payment transfers more economically feasible, Lessor reserves the right to revise how payment remittances are made. Any and all equipment and transmission changes necessary to accomplish the change in the reporting and/or remittance process will be the responsibility of Lessee.

SECTION 3.6 – Miscellaneous Charges

Lessee agrees it is responsible for all miscellaneous charges for services rendered by the Lessor to support the Premises and F&B concession operations. These charges may include, but are not limited to: security badging for employees, City inspections for Lessee’s construction projects, parking, and work orders.

SECTION 3.7 - Delinquent Rent and Charges

Without waiving any other right or action available to Lessor in the event of default in payment of rents or charges hereunder, late rent or charges are subject to delinquent fees as defined in Section 4-7 of the Phoenix City Code, currently eighteen percent (18%) per annum and as may be amended, beginning on the date the rent or charges were due.

SECTION 3.8 - Late Statements or Reports

If Lessee is delinquent for ten (10) or more days in furnishing Lessor any monthly statements or reports required under this Lease, Lessee shall pay one hundred dollars ($100) per late statement or report to Lessor as liquidated damages for the additional administrative costs incurred by Lessor in processing and reviewing delinquent statements or reports. The parties agree this is a fair and reasonable estimate of Lessor’s costs incurred in processing a delinquent monthly statement or report.

SECTION 3.9 - Books and Records

3.9.1 For the seven (7) most recent years of the term hereof, and until all claims by Lessor for payments hereunder shall have been fully ascertained, fixed and paid, or until three (3) years after expiration or earlier termination of this Lease, whichever is later, Lessee shall keep, in accordance with GAAP and GAAS, separate and accurate records of Gross Sales showing in detail all business done or transacted in, on, about, from, or pertaining to the Premises. Lessee shall enter all receipts arising from such business in regular books of accounts kept on the Premises for that purpose, and all entries in any such records or books shall be made at or about the time the transactions respectively occur. It is the intent and purpose of the foregoing provisions that Lessee shall keep all such records available for inspection by Lessor as will enable Lessor to ascertain and determine, accurately and clearly, the amount of money payable to Lessor hereunder, and the exact share of Gross Sales billed and/or received by Lessee under this Lease.

These records shall include, but are not limited to: chart of accounts, general ledger, daily business reports, and original or copies of rent agreements for all Airport-related transactions. Lessor prefers the records be kept in Phoenix. If Lessee elects not to maintain its records in Phoenix, then upon Lessor’s request or in the event of an audit, it shall either: 1)
pay for all expenses associated with delivering the records to the address of the auditors; or
2) pay for reasonable travel expenses for the auditors to have the audit conducted at Lessee’s
specified location, including an administrative fee of fifteen (15%) percent of the actual costs of the audit.

3.9.2 Lessor may audit Lessee’s books and records at any time to verify compliance
with this Lease. Within ten (10) days of Lessor’s request, during normal business hours,
Lessee will make available for inspection and review to Lessor’s employees, agents, and
contractors all of its records, which shall be maintained in accordance with GAAP and GAAS,
showing in detail all business conducted pursuant to this Lease.

The records requirements of this Section shall extend to any of Lessee’s subsidiaries,
Partners, and sublessees.

Lessor may use its own staff to perform audits under this Section, or may engage an
independent CPA to perform the audits. If an audit reveals that Lessee has understated its
Gross Sales by two percent (2%) or more, the entire expense of the audit shall be borne by
Lessee. Lessee shall immediately pay any additional amounts due to Lessor in compliance
with Section 3.7.

3.9.3 Lessee shall install and use, or cause to be installed and used at each F&B
concession unit, cash registers, sales slips, invoicing machines and other automatic
accounting equipment required to properly and accurately record the gross revenues on all
sales, by type and location, services, and other business transactions. The devices shall be
equipped with a transaction log with auditing capabilities that track and store each transaction
that is accumulated through the point of sale register(s). The transaction history shall be
consecutive, and cannot be interrupted or restarted without the proper audit logs to support
the interruption in numerical sequence. Lessee shall provide evidence of such internal
controls documenting complete recording of all receipts for all operating hours. All
transactions recorded on the devices shall be visibly displayed so that the amount recorded
can be viewed by customers from a reasonable distance.

3.9.4 Lessee shall maintain an internal control structure designed to provide
reasonable assurance that assets are safeguarded from loss or unauthorized use, that
transactions are executed in accordance with management’s authority, and that the financial
records are reliable for the purposes of preparing financial statements. The internal control
structure shall be supported by the selection, training, and development of qualified
personnel, by an appropriate segregation of duties, and by the dissemination of written
policies and procedures.

3.9.5 It is agreed that examination of the books, ledgers, journals and accounts of
Lessee will be conducted in accordance with GAAP and GAAS applicable in the
circumstance, and that as such, the examinations do not require a detailed audit of all
transactions. Testing and sampling methods may be used in verifying reports submitted
by Lessee. Deficiencies ascertained by applying percentages of error, obtained from such
testing and sampling, may be applied by Lessor to the entire period of reporting under
examination and will be binding upon Lessee, and to that end shall be admissible in any
court of law to prove any amounts due Lessor.

SECTION 3.10 – Independent Audits

If, as a result of an audit, Lessor determines that additional monies are due to Lessor,
Lessee shall be notified of Lessor’s findings and invoiced for the total amounts due. Within
thirty (30) days of the notice and invoice from Lessor, Lessee shall do one of the following:
(1) notify Lessor in writing that Lessee agrees with Lessor’s audit findings and pay all monies
due to Lessor; or (2) dispute the audit findings, in writing. Failure of Lessee to dispute the
audit findings, in writing, within thirty (30) days of receiving the notice and invoice, shall
constitute acceptance of the findings and waiver of the right to appeal the findings. If Lessee
elects to dispute the audit findings, it shall, within ninety (90) days after providing notice to
Lessor of the dispute, furnish to Lessor, at Lessee’s expense, an audit made by an independent
CPA mutually agreeable to both parties. If Lessee elects to request an independent audit
under this Section, and if that audit results in a finding that there is a deficiency of two
percent (2%) or more of the amount payable to Lessor, then Lessee agrees to pay Lessor for
the cost of Lessor’s audit and for all deficiencies and delinquent fees. Interest shall accrue
from the date the delinquent payment was due under the Lease in accordance with Section
3.7.

SECTION 3.11 – Final Audit Binding

The final audit of the independent CPA shall be conclusive upon the parties, and
Lessee shall pay to Lessor, within thirty (30) days after a copy of the CPA's final report has
been delivered to Lessee, the amount, if any, shown thereby to be due and owing Lessor.
The failure of Lessee to make payment to Lessor within this thirty (30) day period shall
constitute a material breach of this Lease and shall give cause to Lessor for immediate
termination thereof.

SECTION 3.12 – Support Space

Based on availability Lessee may lease support space in Terminal 3. Lessee shall pay
rent equal to the rate set forth in the Phoenix City Code Section 4-173 for terminal rental rates,
as may be amended throughout the term of this Lease. Effective July 1, 2016, terminal rent is
$109.80 per sq. ft. per year (July 1, 2016 - June 30, 2017). All rent and fees assessed in
accordance with Section 4-173 are due and payable monthly in advance on the first day of each
month. On each such date, Lessee shall pay one-twelfth (1/12) of the annual rent plus
applicable tax as may be adjusted by the taxing authority throughout the term of this Lease. The
current tax rate is 2.9% for sales tax. Rent and fees are delinquent if not received by Aviation
by the tenth day of the month. Rent and fees shall be deemed delinquent and assessed a
delinquent account fee in accordance with Section 4-7 of the Phoenix City Code.

SECTION 4

LESSEE OPERATING STANDARDS

SECTION 4.1 - Service Standards

4.1.1 Lessor is dedicated to providing exceptional customer service and requires
Lessee to operate the F&B concession units in an efficient, customer friendly, well-run
manner to meet the needs of passengers and other customers. Lessee shall maintain the
standards in this Section and in Exhibit 9-C (“F&B Operating and Service Standards
Manual”), and maintain equal or higher standards included in the proposed Operation Plan as
attached as Exhibit 11-C (“Operations Plan”).
4.1.2 Lessee shall conduct its F&B operations in a proper business-like manner so as not to disturb or be offensive to other tenants, customers, or passengers in T3. Lessee shall not solicit business anywhere at the Airport, except within the Premises.

4.1.3 Lessee shall operate at least one (1) F&B concession unit, twenty-four (24) hours a day seven (7) days a week. The Package 1 designated twenty-four hours a day seven (7) days a week F&B concession must be pre-approved by Lessor. The Package 2 designated twenty-four (24) hours a day seven (7) days a week F&B concession unit must be the unit located pre-security. Lessee must open all other F&B concession units for business at least ninety (90) minutes prior to T3’s first scheduled daily flight departure. All F&B concession units located pre-security must stay open each day until the last flight departs T3. All F&B concession units located post-security must stay open each day until thirty (30) minutes after the last flight departs on the particular concourse on which the F&B concession unit is located. If there are delays in flight departure times, Lessee shall make arrangements to stay open until thirty (30) minutes after the late departing flight. Lessor shall establish and reestablish exact hours of operation based upon airline schedules and the demands of passengers, and shall communicate hours of operation to Lessee. Failure to adhere to the established hours of operation will result in inconvenience to the public and will adversely affect Airport operations. Quantification of the resulting damages is difficult. The parties agree the liquidated damages set forth herein are reasonable estimates of the actual damages that would be incurred by the public and Lessor for the specified breaches of the foregoing operating standards. Therefore, for each cited violation of this Section, Lessee shall pay one thousand dollars ($1,000.00) to Lessor as liquidated damages.

4.1.4 Lessor may monitor, test, or inspect the services of Lessee at any time through the use of a shopping service or other commercially reasonable means that do not unduly interfere with Lessee’s F&B operations. Lessee shall provide and have readily available customer comment cards.

4.1.5 If any of Lessee’s Partners fail to maintain F&B operations in compliance with this Lease, Lessee shall operate the F&B unit or F&B units to maintain compliance.

4.1.6 Lessee shall be responsible for escorting all unbadged Partners, contractors and any invitees to post-security locations, twenty-four (24) hours a day, seven (7) days a week.

4.1.7 Processing of payments from customers shall be prompt. Receipts shall be properly itemized, reflect precisely the actual sale of goods and date of sale, and list individual prices, taxes and totals. All customers shall be thanked for their patronage.

4.1.8 Lessee shall accept traveler’s checks and at least three (3) major credit cards for any purchase. Lessee understands and agrees the operation of T3 F&B concession units necessitates the rendering of public services such as making reasonable change and giving directions.

4.1.9 Lessee is responsible for ensuring all debit and credit card transactions are conducted in accordance with all applicable laws and in compliance with payment card industry standards.

4.1.10 Tip buckets, jars or containers are prohibited at all F&B concession units unless approved in writing, in advance, by Lessor.

4.1.11 “Tipping” language is prohibited on printed sales and credit card receipts.

4.1.12 Lessee shall offer the same promotions and discounts, sell, and accept gift cards, as offered in street location(s). Customers should not experience operational differences between the T3 F&B concession unit and its street location(s).
SECTION 4.2 - Employee Standards

4.2.1 Lessee shall recruit, train, supervise, direct, and deploy the optimum number of employees to match the service requirements of this Lease. Each employee shall: (1) be clean, neat, free from offensive body odor, professional, courteous, friendly, and not wear excessive amounts of jewelry, perfume, or cologne; (2) wear Lessor-approved uniforms and clearly display an Airport security identification badge showing the names of the employee and employer at all times while at the Airport. If an employee is found within a Security Identification Display Area (SIDA) without an Airport security identification badge clearly displayed, Lessee shall discipline, and, if necessary, discharge, the employee.

4.2.2 Lessee shall provide services in English to meet the expectations of the traveling public, whom are predominantly domestic passengers at this Airport. Offering services in other languages is encouraged but not required. Lessor reserves the right to require Lessee to increase staffing levels if the customer service requirements set forth in this Lease are not being met in Lessor's judgment. Lessee should anticipate peak travel seasons such as Spring Break, Thanksgiving, Christmas, and other holidays, and add additional staff accordingly.

4.2.3 Lessee and its Partners shall hire from the pool of current T3 F&B employees who are employed by the current T3 F&B concessionaire and retain those F&B concession employees for one-hundred twenty (120) days. Lessee and its Partners may only interview employee candidates outside this pool of F&B concession employees when there are no longer any employees of the current T3 F&B concessionaire available to hire in the same job classification.

SECTION 4.3 - Management

4.3.1 The operation and maintenance of concession units operated by Lessee shall be under the constant direct supervision of trained, qualified, and experienced managers employed by Lessee. Managers shall be authorized to accept any notice required or allowed by this Lease, and shall have authority to make all decisions reasonably necessary in the day-to-day operation of the concession units. Managers shall be available on-site during business hours, provided that a subordinate may be designated as an acting manager during brief absences of the manager.

4.3.2 Lessee must identify the General Manager (“GM”) to be assigned to the oversight of F&B operations of the Premises including those F&B concession units operated by Lessee’s Partners. The GM is the primary individual responsible to fulfill Lessee’s obligations under the Lease and is the primary point of contact for interaction with Lessor. The GM should be available twenty-four (24) hours a day, seven (7) days a week for Lessor to communicate any challenges and/or emergencies. If the GM is not available, Lessee shall provide a name and telephone number of a manager who is available twenty-four (24) hours a day, seven (7) days a week and able to make decisions on Lessee’s behalf. The GM assigned under this Lease must be fully qualified. Lessee shall submit and maintain an updated organizational chart on file with Lessor at all times. At any time hereafter Lessee desires to change the GM while performing under the Lease, Lessee shall submit the qualifications of the new GM in writing to Lessor for prior approval. Lessor reserves the right to reject the requested change.
SECTION 4.4 - Sanitation, Hygiene, and Cleanliness

2.2.1 Lessee shall keep the Premises, along with any service pathways used by Lessee, clean, well-maintained and free of garbage, unpleasant odors, and hazardous conditions and notify Lessor promptly of hazardous conditions in the public areas outside the Premises.

2.2.2 Lessee shall provide a complete and sanitary handling of all garbage and recyclables generated as a result of concession operations on the Premises, and shall provide for its timely removal to the central collection point provided by Lessor. At no time shall Lessee accumulate garbage or recyclables outside the Premises or within passenger view.

2.2.3 Lessee shall keep all garbage and recyclable materials in durable, insect- and rodent-proof, fireproof containers that are easily cleaned. The containers shall have tight-fitting lids, doors, or covers, and shall be kept covered when material is not being deposited in them and shall be cleaned as necessary to prevent odors. Boxes, cartons, barrels, or other conveyance items shall be disposed of promptly by Lessee and not be within passenger view.

2.2.4 Lessee shall make arrangements to provide containers, for each individual concession, to separate concession-generated recyclable materials from non-recyclable materials. All F&B concession-generated recyclable materials acceptable to Lessor’s recycling program must be brought to the recycle collection areas. All garbage and recycle containers (full or empty) shall be kept within the Premises, out of passenger view, and in compliance with Section 4.4.3.

2.2.5 Lessee is responsible for the regular and routine cleaning, inspection and maintenance of used cooking oil tallow bins and their surrounding areas, sewer lines, grease traps and interceptors, exhaust hood and vents, and all F&B concession unit drains associated with the Premises.

2.2.6 Lessee shall retain within each F&B concession unit, and available upon Lessor’s request, all equipment servicing schedules, maintenance logs and invoices documenting any and all routine inspections, services and cleanings of any equipment including, but not limited to: used cooking oil tallow bins; grease traps and interceptors and their associated pumping(s); jetting/augering of sewer lines; exhaust hood and vents; fire suppression equipment inspections and pest control services.

2.2.7 Lessor recommends, at a minimum, grease traps and interceptors be serviced quarterly, sewer lines be jetted and augered semi-annually, used cooking oil tallow bins be pumped as needed, and the areas surrounding the used cooking oil tallow bins be cleaned monthly or more frequently if needed. Lessor reserves the right to require Lessee to increase the frequency of these cleanings if found necessary by Lessor. Lessor reserves the right to establish and implement “line-jetting” protocols to be implemented by Lessee. Lessee shall use a “Liquid Wastewater Treatment” or “Bio-Augmentation Treatment” for all drain lines (sinks, mop sinks, floor drains, etc.) associated with each F&B concession unit monthly or in accordance with manufacturer’s specifications. The “Liquid Wastewater Treatment” or “Bio-Augmentation Treatment” products must be approved by the Environmental Protection Agency and their Material Safety Data Sheets (MSDS) must be submitted for Lessor’s approval prior to use. MSDS must be retained within each F&B concession unit. Lessee shall specifically follow manufacturers’ instructions for Bio-Augmentation products.
2.2.8 Lessee shall be responsible for acquiring and retaining on-site a video (on a DVD disk) of the interior of the waste lines (for each F&B concession unit) annually to ensure compliance with this Section. The first “waste line” video shall be conducted after each F&B concession unit’s Leasehold Improvement process and prior to opening for business. The video shall be made available upon Lessor’s request. Lessor reserves the right to require Lessee to increase the frequency of inspections, services and videos based on Gross Sales and the condition in which the F&B concession units are kept. Lessee shall also be responsible for any emergency grease interceptor cleanings and/or grease interceptor line jettings for all F&B concession units.

2.2.9 Each F&B concession unit that serves coffee must include a floor-mounted interceptor at the sink adjacent to the coffee machine to capture coffee grounds inadvertently deposited in the sink. Lessee is responsible for proper disposal of all coffee grounds in all F&B concession units and in no case are coffee grounds to be drained into the sewer system.

2.2.10 Lessee shall take appropriate action to exterminate and prevent the presence of rodents and other vermin within the Premises and within all Lessee on-Airport support space areas.

2.2.11 Lessee shall provide for Lessor’s approval a schedule for the routine inspections, services, and cleanings required in Section 4.4.7 along with a Quality Control/Quality Assurance (QC/QA) plan that covers these services and the regular and routine cleaning of the Premises and any service pathways leading to and from the Premises. The schedule shall be updated accordingly with Lessor when changes are made. Lessor reserves the right to add items as necessary to Lessee’s QC/QA plan to ensure Lessee is conducting regular and routine cleanings, inspections and maintenance for each F&B concession unit.

2.2.12 Lessee shall retain, within each F&B concession unit, copies of all Maricopa County Environmental Services Department (MCESD) or State of Arizona health inspection reports and provide copies upon Lessor’s request. If a health inspection results in a poor inspection report, Lessee shall prepare and submit to Lessor, within twenty-four (24) hours, a written summary of the nature of the inspection and the inspector's findings, as communicated to Lessee and provide copies of any and all report documents.

2.2.13 Upon receipt, Lessee shall provide Lessor the F&B concession unit permit identification numbers assigned by MCESD.

SECTION 4.5 – Menu/Food Quality

4.5.1 Menus must be well designed, clean, and display the correct prices for all menu items. Approved menus for Lessee must be on file with Lessor. Lessee may add or delete single menu items within each menu as approved by Lessor, but shall notify Lessor promptly, in writing, of each change, and maintain current menus with Lessor at all times. Lessor’s prior written consent must be obtained before implementing a menu change that, in conjunction with prior menu changes in the same Lease Year, would result in more than ten percent (10%) of the menu items being affected.

4.5.2 Product weight must be accurate when referenced on a menu and should be specifically noted as pre-cooked or post-cooked weight.

4.5.3 Written notifications and requests for menu changes under this Section must include the following information: (1) a clear description of the menu item to be changed; (2) the current price and portion size of the menu item; (3) a clear description of the proposed new menu item, including portion size; (4) if a price change is involved, the percentage change in price; (5) the
rationale for the change, with any supporting documentation; and (6) a local market survey showing the prices and portion sizes at the street locations. Price increase requests will not be accepted in December or January. Menu prices shall not exceed the prices indicated on Lessor-approved menus or marked on the items being sold.

4.5.4 Lessor may require the removal of any item not approved in advance by Lessor or does not comply with Exhibit 2-C.

4.5.5 Lessee shall keep on hand sufficient quantities of all products to allow preparation of all menu items to meet customer demand. Lessee shall make efforts to ensure only the highest quality food is sold in T3. Those efforts shall include, but are not be limited to:
   a. Purchasing products in compliance with MC ESD and any other local, state and federal food quality standards;
   b. Purchasing products only from reputable commercial food vendors;
   c. Receiving, transporting, and storing fresh foods in a manner that ensures the quality of the product does not decline; and
   d. Discarding any fresh foods that have deteriorated below the acceptable quality for the product. "Fresh foods" are defined as food prepared within the previous four (4) hours unless stricter franchise or MCESD rules apply.

SECTION 4.6 - Deliveries

4.6.1 All designated vendor delivery vehicles must be inspected prior to entry into secured areas of the Airport.

4.6.2 Authorized vendor delivery zones are located on the service level of the T3 building. Delivery zones may be changed from time to time due to Lessor’s construction activities or operational requirements. Use of the delivery zone by Lessee or Lessee’s suppliers is limited to thirty (30) minutes at any one time. Deliveries taking longer than thirty (30) minutes must be approved in advance by Lessor.

4.6.3 All deliveries to F&B concession units shall be scheduled during non-peak passenger periods. Lessor may issue schedules for acceptable delivery times, which may be adjusted from time to time, and from which Lessee shall not deviate without Lessor’s prior consent.

4.6.4 Lessee shall ensure items transported within the Airport are handled with care and packaged in covered containers that do not leak. The conveyance of items via delivery cart, dolly, Lessor-approved palette jack, or any other Lessor-approved means within the Airport, shall not exceed the height of the person delivering the items as a safety precaution. In transporting items associated with Lessee’s operations to and from F&B concession units, Lessee shall use only those delivery routes established by Lessor and shall use only carts, vehicles, or conveyances (“Delivery Carts”) that are sealed and leak-proof. Items may only be transported on Delivery Carts equipped with rubber, air-filled, polyurethane non-marking wheels. Black wheels or other marking wheels are strictly prohibited. Delivered items must immediately be placed into the F&B concession units and not left within hallways or other Airport areas causing obstructions to Partners, passengers, Lessor’s staff, or other lessees.

4.6.5 Deliveries are the responsibility of Lessee. Lessor shall take no responsibility or sign for any deliveries.

4.6.6 Commercial Delivery Vehicles on the Airfield: Lessor reserves the right to regulate and approve the size of all large commercial delivery vehicles to be used on the
SECTION 4.7 - Signs

Lessee will permit Lessee to install and operate signs in and about the interior and exterior of the Premises to advertise the food and beverage concept, but Lessee shall not install any sign until the sign has been approved in writing by Lessor. Lessee shall request the Lessor’s approval by submitting a written request identifying the number, general type, size and location and must be accompanied by a detailed rendering or drawing of the proposed sign. Freestanding floor signs outside of the lease line are not permitted. All signs must conform to the minimum requirements established by the signage standards in the Tenant Design Criteria that are incorporated by reference as Exhibit 3-C and must be approved through the Lessor’s Tenant Improvement Process.

SECTION 5
AIRPORT PRICING POLICY

SECTION 5.1 – Airport Pricing Policy

The Aviation Department (Aviation) has adopted an Airport Pricing Policy for concessions at PHX. This Policy requires prices at PHX to be no more than ten percent (10%) higher than the comparable street locations in the Phoenix area. Lessee shall adhere to Lessor’s Airport Pricing Policy (“Policy”) as set forth in Exhibit 4-C (“Airport Pricing and Comparisons”). This Policy may be revised at any time at Lessor’s sole discretion. Any changes to the Policy as it pertains to Lessee must be reflected on merchandise within ten (10) days’ receipt of notice from Lessor.

SECTION 5.2 - Compliance

To determine Lessee’s compliance with the Policy, at least twice a year Lessor will notify Lessee thirty (30) days in advance to provide documentation of compliance with the Airport Pricing Policy. Lessee will identify ten (10) to fifteen (15) items, per F&B concession unit, based on the highest sales volume and another ten (10) to fifteen (15) items, per F&B concession unit, based on the highest number of units sold for price comparison purposes (all subject to Lessor’s approval). Lessee shall research and document the prices charged for these items in the street locations listed in Exhibit 4-C. In addition, no more than an additional two times per year, Lessor may require Lessee to perform a random sample price comparison, whereby Lessor identifies ten (10) to fifteen (15) items randomly, per F&B concession unit.

Lessor reserves the right to conduct its own price comparison at any time.

SECTION 5.3 - Price Inventory

The prices Lessee has agreed to charge are stated in Exhibit 4-C. Lessee may not increase individual prices by more than the Phoenix-Mesa Consumer Price Index (CPI) in any one Contract Year without prior written consent from the Aviation Director. Requests for price changes must be accompanied by the following information: (1) a list of the items to be changed; (2) the current prices of those items; (3) the proposed price change per item; (4) the
percentage change in price per item; (5) a statement of the reasons for the change; and, (6) a list of the comparable prices from three stores in the Phoenix Metropolitan area. Lessee shall submit a quarterly inventory price list to account for regular inventory and price adjustments. **In no event shall the price charged by Lessee exceed the price marked on the item being sold.**

**SECTION 6**

**AIRPORT PRICING POLICY ENFORCEMENT**

**SECTION 6.1 – Liquidated Damages**

Lessor will notify Lessee in writing about any violations of the Policy found during a price comparison. If Lessee fails to cure these violations within ten (10) days of such notice, Lessee agrees its failure to cure and adhere to the foregoing Policy will result in inconvenience to the public and adversely affect the operation of the Airport. Although quantification of the resulting damages is difficult, the parties agree the liquidated damages set forth herein are reasonable estimates of the actual damages that would be incurred by the public and Lessor for the specified breaches of the Policy. Lessee agrees to pay to Lessor liquidated damages in accordance with this Section at the rate of one thousand dollars ($1,000) for the first failure to cure any violations of the Policy and five thousand dollars ($5,000) for the second failure to cure any violations.

**SECTION 6.2 - Termination**

In the event Lessee fails to cure any violations of the Policy for a third time during the term of this Lease, then this Lease may be terminated by Lessor. Lessor shall provide written notice of the termination without further right of Lessee to cure and Lessee shall peacefully surrender possession of the Premises immediately.

**SECTION 6.3 - Materiality**

Any breach or violation of this Section shall be considered a material breach of this Lease. The determination by the Aviation Director that a breach or violation has occurred will be conclusive as to the facts.

**SECTION 7**

**IMPROVEMENTS TO BE MADE BY LESSEE**

**SECTION 7.1 - Furnish and Equip Premises**

7.1.1 Lessee shall provide and maintain at its own expense first-class F&B concession units. This includes all improvements, alterations, and fixtures necessary for the customary operation of such a business, including, but not limited to: sales counters, display cabinets, interior partitions, special lighting, fixtures, wall coverings and finishes, and all other equipment, furniture, furnishings, and supplies necessary to conduct first-class F&B concession units. All improvements affixed in any manner to the Premises are “Leasehold Improvements.” All non-affixed items, including cash registers, safes, racks and other
furnishings and equipment are “Trade Fixtures.” All Leasehold Improvements must comply with Exhibit 3-C.

7.1.2 Lessee shall submit a phasing plan listing the start and end dates of construction for each F&B concession Premises. If Leasehold Improvements of the lobby and south concourse concessions units are not complete by November 1, 2018, fifty percent (50%) of MAG will commence on that date. North concourse concessions unit MAG will commence per Section 3.3.3. Lessee shall submit a phasing plan listing the start and end dates of construction for each F&B concession block of space, the sequence in which all F&B concession blocks of space will be constructed, reflecting how Lessee will provide F&B service during construction, for Lessor’s approval.

7.1.3 Lessee shall not request, nor will Lessor execute, a Landlord’s Waiver, Landlord’s Consent, or similar document that would subordinate Lessor’s interest in the Lease to any security interest or consent to Lessee’s pledge of Leasehold Improvements or Trade Fixtures to obtain financing.

7.1.4 Lessee shall spend a total of _______________ dollars ($___________), as proposed for the F&B concession Premises for initial capital investment expenditures and included as Exhibit 5-C (“Proposed Capital Investment”). In the event Lessee does not spend the proposed initial capital investment per sq. ft. per F&B concession Premises, Lessee shall remit the unspent balance to Lessor within four (4) months of commencement of the Primary Term. Lessor reserves the right to conduct an audit of Lessee’s initial capital investment expenditures.

7.1.5 Vending machine locations are excluded from the minimum initial capital investment requirements described in Section 7.1.4 (Package 1).

7.1.6 Lessee (for Package 1) shall spend a minimum average of one hundred ($100) per sq. ft. as an initial capital investment for the T3 Lobby F&B seating area.

7.1.7 Lessee shall maintain all F&B concession Premises in “opening day” condition throughout the term.

7.1.8 Lessee shall spend a minimum average of one hundred dollars ($100) per sq. ft. per F&B concession space as a midterm capital investment to upgrade the Leasehold Improvements. This midterm capital investment is not intended for general maintenance and should be used to refurbish areas of the Premises visible to customers. Lessee shall submit for Lessor’s review a refurbishment and phasing plan (“Refurbishment Plan”) no later than February 28, 2025, for midterm capital investment expenditures to be completed by August 31, 2026. The Refurbishment Plan must specify the types of capital investments to be made, in each concession or at the Aviation Director’s discretion, including any reconcepting of units. Should Lessee not spend one hundred dollars ($100) per sq. ft. per concession block of space, including any reconcepting of units. Lessee shall remit the unspent balance to Lessor by November 30, 2026. Lessor reserves the right to conduct an audit of Lessee’s midterm capital investment expenditures.

7.1.9 Vending machine locations are excluded from the minimum midterm capital investment requirements described in this Section 7.1.7 (vending part of Package 1).

7.1.10 Within one hundred twenty (120) days from beneficial occupancy, Lessee shall provide Lessor a certified cost statement of total initial capital investment costs for each Premise and a certified cost statement listing the total initial capital investment costs of all Premises. The certified cost statements must be itemized and segregated into the categories of Leasehold Improvements and Trade Fixtures. Lessee agrees to pay Lessor one hundred dollars ($100) per day each certified cost statement is late.
7.1.11 Lessor shall provide Lessee with all demising walls, concrete subfloors, and electrical, HVAC, fire alarm and sprinklers, water, and sewer (in sufficient capacity to support the concepts in Exhibit 2-C) stubbed to the leasehold line at each Premises. Lessee shall be responsible for all interior utility installations and distribution of those utilities. If City determines in the future that utility separation is necessary, Lessee will work cooperatively with the City.

7.1.12 If Lessee requires cooling of the Premises beyond that provided by Lessor, Lessee may request approval for additional cooling, compliant with Exhibit 3-C, to be provided by Lessee.

7.1.13 The Premises will be available to Lessee as soon as reasonably practicable after the Effective Date of this Lease. Lessee agrees Lessor shall not be legally, financially, nor equitably responsible for any delays in delivering the Premises to Lessee. Lessee acknowledges Lessor shall not be responsible for demolition of existing space, demising walls, or flooring within the Premises. Lessor shall be responsible for all costs associated with abating any asbestos existing on the Premises.

7.1.14 A phasing plan schedule that will be provided to Lessee is an estimated schedule only and no representations, direct or implied, are made by Lessor relating to the time periods stated therein and Lessee waives any rights to rely on same for purposes of any claim against Lessor.

7.1.15 Lessee shall not use any asbestos-containing material. If Lessee or its Partners use any asbestos-laden material within the Premises, Lessee shall be responsible for removing all asbestos-laden material at its cost and in compliance with all applicable environmental laws.

SECTION 7.2 - Plans and Specifications for Leasehold Improvements

7.2.1 In accordance with Exhibit 3-C, Lessee shall submit schematic design drawings and construction documents for Lessor’s approval.

7.2.2 Lessor will provide written notice to Lessee once the Premises have been certified by Lessor's engineer as available for improvement by Lessee. Upon approval of the construction documents by all appropriate City departments, Lessee shall receive a written Notice To Proceed (NTP) providing approval from Lessor’s TI Coordinator to initiate construction within the Premises.

7.2.3 All Leasehold Improvements shall be at Lessee's sole cost and expense and shall not damage T3 of which the Premises are a part.

7.2.4 Lessor’s approval shall not constitute a representation or warranty as to conformity with the requirements of local, state, and federal laws. Lessee shall at all times remain responsible for compliance with all applicable laws. Lessor reserves the right to approve architectural and aesthetic matters for each F&B concession block of space. Lessor may reject any design submitted, and require Lessee to resubmit designs and layout proposals until they meet Lessor’s approval.

7.2.5 In the event Lessor rejects any portion of the Schematic Design drawings or Construction Documents, Lessee shall promptly submit necessary modifications and revisions. No substantial changes or alterations shall be made in any executed plans or specifications after Lessor’s initial approval, and no Leasehold Improvements or changes to Leasehold Improvements shall be made to or upon the Premises without Lessor’s prior written approval.

7.2.6 One hundred twenty (120) days after completion of any Leasehold Attachment C
Improvement, Lessee shall provide to Lessor two (2) sets of detailed plans and specifications of the work as completed. One (1) copy shall be produced in a computer automated drafting (CAD) format and the second copy shall be as-built plans sealed by an Arizona registrant in an electronic format to be determined by Lessor at the time of submittal. Upon Lessor’s request, Lessee will inspect the Premises jointly with Lessor to verify the as-built drawings.

7.2.7 Lessee shall, in the design and construction of Leasehold Improvements and operation of the Premises, comply with all applicable provisions of the Americans with Disabilities Act, 42 U.S.C. §12101 et al., the ADA Accessibility Guidelines (ADAAG), and implementing regulations as imposed upon the owner and/or operator of public facilities.

7.2.8 Any subsequent changes, alterations or additions to constructed Leasehold Improvements or the Premises shall be subject to the prior written approval of the Aviation Director. Before commencing any such improvements, additions or alterations, Lessee shall submit plans and specifications; construction costs and engineering and architectural fees; and a construction schedule for all work, facilities and improvements to the Aviation Director. All construction shall conform to the architectural requirements of the Exhibit 3-C and in accordance with the Tenant Improvement Handbook which may be amended from time to time.

SECTION 7.3 - Title to Leasehold Improvements

7.3.1 All contracts for the construction of the Leasehold Improvements must include provisions of insurance and suretyship reasonably satisfactory to Lessor for protection of Lessor, laborers, suppliers, subcontractors, and the general public.

7.3.2 All Leasehold Improvements approved by Lessor become and remain the property of Lessee until the expiration or termination of this Lease. Upon expiration or termination of this Lease for any reason, all Leasehold Improvements become the property of Lessor, with Trade Fixtures, signs and other personal property remaining the property of Lessee so long as: (1) the removal of such Trade Fixtures, signs, or personal property, at Lessee’s sole expense, does not result in material damage to the Premises that cannot be repaired by Lessee to Lessor’s satisfaction; (2) Lessee is not in default at the time of the expiration or termination of the Lease; and (3) the Trade Fixtures, signs, or personal property are removed from the Premises no later than ten (10) days after the expiration or termination of the Lease.

7.3.3 Notwithstanding the foregoing, if the Primary Term is less than five (5) years, upon the expiration or termination hereof, Lessor shall reimburse Lessee for the then-unamortized value of its Leasehold Improvements. For purposes of this provision, the amortization period for all of the foregoing assets installed on the commencement of the Primary Term shall be five (5) years commencing with the start of the Primary Term. Any additional assets installed on the Premises must be brought to the attention of Lessor and will be amortized over five (5) years commencing on the date of installation.

7.3.4 Lessee shall remove its Trade Fixtures, signs, and personal property in a manner and at times that do not interrupt Airport operations. Lessee shall repair all damage done to the Premises or other Lessor-owned property resulting from the removal of such Trade Fixtures, signs, and personal property and shall restore the Premises and other Lessor-owned property to the state of good repair that existed prior to the installation of Lessee’s Trade Fixtures, signs, and personal property, less normal wear and tear. Should Lessee fail to repair the damage to Lessor’s satisfaction, Lessor shall have the right to make such repairs
and be reimbursed by Lessee within ten (10) days following demand by Lessor for payment at Lessor’s standard rates plus Lessor’s administrative costs, or, if the work is performed by Lessor’s contractor, Lessor’s actual cost, including but not limited to Lessor’s administrative costs. If Lessee fails to become current on all payments owed to Lessor within thirty (30) calendar days, title to the Trade Fixtures shall vest in Lessor. If Lessee is in default at the time of expiration or termination of this Lease, Lessor may hold title to the Trade Fixtures until Lessee is current on all payments owed to Lessor. If Lessee fails to remove its Trade Fixtures, signs, and other personal property within ten (10) calendar days, or a longer period of time agreed to in writing by Lessor, after the expiration or termination of this Lease, Lessor, at its option, may determine that title to these items shall vest in Lessor at no cost to Lessor, or Lessor may elect to exercise its rights under Section 15.

7.3.5 In the event of dispute as to the affixed or non-affixed nature of any Leasehold Improvements or Trade Fixtures, Lessor’s determination shall be final.

7.3.6 Lessee shall maintain all Leasehold Improvements and Trade Fixtures at its own expense.

SECTION 7.4 - Removal and Demolition

Lessee shall not remove or demolish, in whole or in part, any Leasehold Improvement on the Premises without Lessor’s prior written approval. Lessor may, at its sole discretion, condition such approval upon the obligation of Lessee to replace the Leasehold Improvement by an improvement specified by Lessor.

SECTION 8

CLOSURE, RELOCATION, REDUCTION, EXPANSION, OR CONDEMNATION

SECTION 8.1 - Lessor’s Authority

If at any time during the term of this Lease Lessor determines it is necessary for the efficient operation of the Airport, Lessor may require Lessee to close or reduce its operations. If Lessor requires Lessee to close any or all of its operation, Lessee shall vacate the Premises within ninety (90) days of receipt of closure notice, unless exigent circumstances require an earlier closure or reduction of the Premises. If Lessor requires a reduction of Lessee’s Premises, Lessee may elect to close the specific F&B concession unit and the closure shall be treated in the same manner as if Lessor had required closure. If Lessee makes a request to relocate a specific F&B concession unit promptly after receiving notice of a closure or reduction, Lessor will attempt to negotiate a mutually acceptable relocation within T3; but Lessee acknowledges relocation is unlikely.

SECTION 8.2 - Compensation

If a closure occurs under this Section, Lessor’s liability shall be limited to reimbursement of Lessee for the net book value of all Leasehold Improvements and Trade Fixtures that Lessee cannot reasonably remove and use in a relocated or reduced F&B concession unit. For the purposes of this Lease, net book value shall mean the current value of the Leasehold Improvements after depreciation in accordance with Section 7.3.3.
SECTION 8.3 - Condemnation

This Lease shall terminate upon the filing of an action to condemn the Premises and Lessor shall be entitled to all compensation awarded in any condemnation action, except for the amount indicated in Section 8.2.

SECTION 9
JANITORIAL SERVICES

Lessee shall provide janitorial services within the Premises and along pathways to and from support space and garbage disposal areas, as needed, to maintain safety and cleanliness standards described in this Lease. Lessee shall ensure routine floor cleaning of back-of-house service ways and common areas will occur as needed and that no F&B concession-generated garbage is tracked onto T3 flooring. Lessee’s responsibility includes the immediate cleaning of any flooring soiled by its F&B operations.

Lessee-provided janitorial services must be provided equal to or greater than the standards of cleanliness and appearance required by Lessor for T3 public areas. To maintain high standards throughout T3, Lessor shall have the right to perform such services for Lessee in the event of Lessee’s failure to do so and to charge Lessee for the labor and materials used at such rates as Lessor may establish; provided, however, that Lessor, before commencing janitorial services within the Premises, shall give Lessee written notice of its default and a five (5) day period in which to correct any default.

SECTION 10
MAINTENANCE OF PREMISES

SECTION 10.1 – Maintenance

10.1.1 Obligations of Lessor: Lessor shall, at its expense, maintain T3 in good condition, including the ventilating and air conditioning equipment, electrical, fire suppression, water and sewer systems, and gas, where applicable, up to the leasehold of each F&B concession unit.

10.1.2 Obligations of Lessee: Lessee shall, at all times and at its sole expense, maintain in good repair and keep in a clean and orderly condition the appearance of the Premises, all Leasehold Improvements and Trade Fixtures therein, whether installed by Lessee or Lessor. All maintenance shall be equal to or better than the materials, workmanship and appearance representative of similar areas in T3 directly controlled by Lessor. Lessee shall conduct regular and routine cleaning, inspections and maintenance within the Premises, any support space and the pathways in between, and shall provide documentation of the cleaning, inspections and maintenance when requested by the Lessor. To maintain high standards of maintenance throughout T3, Lessor shall have the right to accomplish any required work in the event of Lessee’s failure to do so and to charge Lessee for the labor and materials used at such rates as Lessor may establish provided, however, that Lessor, before commencing any required work within the Premises, shall give Lessee written notice of its default and a five (5) day period in which to correct any default.
SECTION 10.2 - Repairs

10.2.1 All repairs to the Premises done by or on behalf of Lessee shall be of first-class quality materials and workmanship, equal to or better than the Lessee’s original materials and workmanship, and, except in emergencies requiring immediate response, approved in advance by Lessor in writing. Lessee shall be responsible for the cost to repair any damage to T3 or the Premises caused by the negligence or misconduct of Lessee or its Partners, contractors or invitees. Lessor shall be the sole judge of the quality of the repairs.

10.2.2 Lessee shall repaint or refinish, at its sole expense, high traffic areas subject to greater-than-normal wear as required by Lease, or as may be directed by Lessor. All Leasehold Improvements and Trade Fixtures that become worn, chipped, dented, or gouged, shall be repaired or replaced at Lessee’s sole expense. If the floor within the Premises is carpeted, Lessee shall replace the carpet every thirty (30) months at Lessee’s sole expense. The materials used to repair or replace Leasehold Improvements and Trade Fixtures must adhere to the requirements of Section 7.

10.2.3 It is the responsibility of the Lessee to routinely inspect and maintain all concession related plumbing and mechanical systems to prevent leaks from occurring into neighboring spaces. If a leak occurs from any Lessee concession block or support space, Lessee shall immediately initiate clean-up and repairs. Lessee shall also immediately inform Lessor of leak and shall provide a detailed description of the occurrence along with the remedy, to be approved by Lessor, within 24 hours of leak occurring.

SECTION 10.3 - Right to Enter

10.3.1 Lessor shall have the right to enter the Premises to inspect the Premises at reasonable times during Lessee’s regular hours of operation to determine whether Lessee has complied, and is complying, with this Lease.

10.3.2 Lessor shall have the right to enter the Premises to cure any material breach that remains uncured by Lessee after reasonable notice and opportunity to cure.

10.3.3 Lessor shall have the right to enter the Premises to respond to any emergency.

10.3.4 Nothing in this Section shall be construed to be a limitation or restriction on the exercise of Lessor’s police power.

SECTION 10.4 - Failure to Maintain or Repair

10.4.1 If found that Lessee or its Partners was responsible for damages associated with a lack of regular and routine cleaning, inspections or maintenance of the Premises, including support space, Lessee shall be responsible for all associated costs to repair the Premises as well as any adjacent spaces to which damage may have spread.

10.4.2 If Lessee refuses or neglects to undertake the maintenance, repair, or replacements requested by Lessor; or if Lessor is required to make any repairs necessitated by the acts or omissions of Lessee, its Partners, contractors, or invitees, Lessor shall have the right to make such repairs on behalf of and for Lessee. Such work shall be paid for by Lessee within ten days’ receipt of invoice from Lessor for payment at Lessor's standard rates, plus Lessor’s administrative costs, or, if the work is performed by Lessor’s contractor, Lessor’s actual cost, including but not limited to Lessor’s administrative costs.
SECTION 10.5 - Operation Costs

Lessee shall be responsible for all costs of operating Lessee’s F&B concessions included under this Lease, and shall pay, in addition to rent and other payments specified in this Lease, all other costs connected with the use of the Premises and facilities, and those rights and privileges granted.

SECTION 10.6 - Utilities

Lessor has provided and will maintain all utility service (ventilating and air conditioning equipment, electrical, fire suppression) to the Premises. Lessee shall be required to provide all utility hook-ups. Lessor shall not be responsible for charges relating to utility service usage, telephone service and special wiring and hookups for computer(s) for the Premises, including wireless internet access. Lessor shall have no liability for blackouts, brownouts, cessation, interruption, or failure of utilities.

SECTION 11
INSURANCE REQUIREMENTS

SECTION 11.1 – Introduction

11.1.1 Lessee and its Partners shall procure and maintain for the term of the Lease, insurance against claims for injury to persons or damage to property which may arise from or in connection with this Lease.

11.1.2 Lessee shall deliver to Lessor, prior to its occupancy of the Premises, a certificate of insurance acceptable to Lessor in the amounts as stated within Section 11.2. Lessor reserves the right to review the sufficiency of and to modify the insurance requirements of this Lease at the time MAG is reviewed for adjustment in order to determine whether existing insurance requirements are reasonable, adequate and commercially available so that Lessee’s operations are insured to protect the Lessor’s interests. Lessee shall maintain insurance coverage throughout the term of the Lease or Lessor may terminate this Lease. Additional insurance coverage may be required depending on the type of concession services being provided.

SECTION 11.2 – Minimum Scope and Limits of Insurance

Lessee shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided the coverage is written on a “following form” basis.

1. Commercial General Liability – Occurrence Form
   Policy shall include bodily injury, property damage and broad form contractual liability coverage.
   - Each Occurrence $ 5,000,000
1. General Aggregate $5,000,000
   • Products – Completed Operations Aggregate $5,000,000
   • Liquor Liability (if alcohol is sold or served) $1,000,000
   • Personal and Advertising Injury $5,000,000
   • Fire Damage (Damage to Rented Premises) $100,000

   a. The policy shall be endorsed to include the following additional insured language: "The City of Phoenix shall be named as an additional insured with respect to liability arising out of the use and/or occupancy by Lessee of the Premises subject to this Lease."

   b. The policy shall not contain any restrictions of coverage with regard to operations on or near Airport Premises.

2. Automobile Liability
   Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Lease.
   • Combined Single Limit (CSL) airside driving $5,000,000
   • Combined Single Limit (CSL) non-airside driving $1,000,000

   a. The policy shall not contain any restrictions of coverage with regard to operations on or near the Airport.

3. Worker’s Compensation and Employers’ Liability
   • Workers’ Compensation
   • Employers’ Liability
     • Each Accident $100,000
     • Disease-Each Employee $100,000
     • Disease-Policy Limit $500,000

   a. Policy shall contain a waiver of subrogation against the City of Phoenix.
   b. This requirement shall not apply when a Lessee or sublessee is exempt under A.R.S. 23-901, AND when such Lessee or sublessee executes the appropriate sole proprietor waiver form.

4. Property Insurance
   • Coverage for Lessee’s Leasehold Improvements Replacement Value
   • Coverage for Lessee’s contents Replacement Value

   a. Property insurance shall be written on an all risk, replacement cost coverage, including coverage for flood and earth movement.

   b. The City of Phoenix shall be named as a loss payee on property coverage for Lessee’s Leasehold Improvements.

   c. The policy shall contain a waiver of subrogation against the City of Phoenix.

5. Fidelity Bond or Crime Insurance – Employee Theft
   The bond or crime policy shall provide coverage for loss of monies belonging to the Lessor under the terms of the Lease as a result of theft by Lessee’s employees.
   Bond or Policy Limit $10,000
a. The bond or policy shall include coverage for all directors, officers, agents and employees of the Lessee.
b. The bond or policy must include coverage for third party fidelity, i.e. property of the Lessor that is held by the Lessee in any capacity, or property for which the Lessee is legally liable.
c. The bond or policy shall not contain a condition requiring an arrest and conviction.

SECTION 11.3 – Additional Insurance Requirements

The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the City is named as an additional insured, the City shall be an additional insured to the full limits of liability purchased by Lessee even if those limits of liability are in excess of those required by this Lease.
2. Lessee’s insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

SECTION 11.4 – Notice of Cancellation

For each insurance policy required by the insurance provisions of this Lease, Lessee must provide to the Lessor, within two (2) business days of receipt, a notice if a policy is suspended, voided, or canceled, for any reason. Such notice shall be mailed, hand-delivered or sent via facsimile transmission to:

City of Phoenix Aviation Department
Business & Properties Division
Phoenix Sky Harbor International Airport
2485 East Buckeye Road
Phoenix, AZ 85034

and shall be sent by certified mail, return receipt requested.

SECTION 11.5 – Acceptability of Insurers

Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best” rating of not less than B+ VI. Lessor in no way warrants the above-required minimum insurer rating is sufficient to protect Lessee from potential insurer insolvency.

SECTION 11.6 – Verification of Coverage

Lessee shall furnish Lessor with certificates of insurance (ACORD form or equivalent approved by Lessor) as required by this Lease. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by Lessor before the Lease term commences. Each insurance policy required by this Lease
must be in effect at or prior to the commencement of work and must remain in effect for the duration of the Lease. Failure to maintain the insurance policies as required by this Lease or to provide evidence of renewal will be considered a material breach of the Lease.

The City Lease number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Lease at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY’S RISK MANAGEMENT DIVISION.**

The **initial certificates** required by this Lease shall be sent directly to:

City of Phoenix, Aviation Department  
Business and Properties Division  
2485 East Buckeye Road  
Phoenix, AZ  85034  
ATTN: Terminal Concessions Program  
Fax Number: 602-273-4083  
Email: aviation.business@phoenix.gov

All subsequent and renewal certificates of insurance and endorsements shall be sent directly to:

City of Phoenix, Aviation Department  
c/o EBIX RCS  
P.O. Box 100085 – 76  
Duluth, GA 30096  
Fax #: 770-325-3339  
Email: phoenixaviation@ebix.com

**SECTION 11.7 – Sublessees and Partners**

Lessee’s certificate(s) shall include all sublessees and partners as additional insureds under its policies or Lessee shall furnish to the City separate certificates and endorsements for each sublessee and partners. All coverages for sublessees and partners shall be subject to the minimum requirements identified above.

**SECTION 11.8 – Approval**

Any modification or variation from the insurance requirements in this Lease must have prior approval from the City’s Law Department, the decision of which shall be final. Such action will not require a formal Lease amendment, but may be made by administrative action.

**SECTION 12  
INDEMNIFICATION OF CITY**

Lessee (Indemnitor) must indemnify, defend, save and hold harmless the City of Phoenix and its
officers, officials, agents, and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) ("Claims") caused, or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Lessee or any of its owners, officers, directors, agents, employees or contractors, arising out of or related to Lessee’s operations or occupancy and use of the Leased Premises. This indemnity includes any Claims arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of Lessee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Lessee must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee’s own negligent or willful acts or omissions. Lessee will be responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration for the use and occupancy of the Leased Premises, Lessee waives all rights of subrogation against Indemnitee for losses arising from the Indemnitee’s operations use, occupancy or condition of the Leased Premises. The obligations of Lessee under this provision survive the termination or expiration of this Lease.

SECTION 13
LIENS AND PERFORMANCE AND PAYMENT BONDS

SECTION 13.1 - Liens

Lessee shall not create, permit, or suffer any lien to be imposed upon the Premises or upon any Leasehold Improvements without promptly discharging the same. Lessee shall at all times indemnify and save the City harmless from all liens, claims, losses, demands, costs, expenses or liability cost for labor or materials in conjunction with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and against all reasonable attorneys’ fees and other costs arising by reason of any such liens or claims and the removal of liens.

SECTION 13.2 - Payment Bond

Prior to the commencement of any construction, alteration, or repair hereunder of Lessee’s Leasehold Improvements and/or Trade Fixtures which exceeds $10,000 in cost, Lessee shall furnish to the Lessor, without expense to the Lessor, a payment bond issued by a surety company licensed to transact business in the State of Arizona and satisfactory to and approved by the Lessor with Lessee’s contractor or contractors as principals. The penal amount of the bond shall be not less than 100 percent of the total cost of the contract or contracts for the construction, alteration, or repair of such Leasehold Improvements and/or Trade Fixtures. In the event that such contracts involve alteration or work on or to the Lessor’s facilities, the payment bond shall be posted regardless of the dollar value of the work. The payment bond required by this Section shall guarantee the prompt payment to all persons supplying labor, materials, provisions, supplies, and equipment used directly or indirectly by any contractor, subcontractor(s), and suppliers doing work provided for in the above-mentioned construction contract and shall protect the Lessor from any liability, losses, or damages arising from it.

SECTION 13.3 - Performance Guarantee
Lessee shall provide and maintain during the term of this Lease a performance guarantee in the form of an irrevocable standby letter of credit ("LOC") guaranteeing the full and faithful performance by Lessee of all the terms and conditions of this Lease, including security for payment by Lessee of all claims by Lessor. The amount of the performance guarantee for this Lease shall be either six (6) months’ rent or $__________, whichever is greater. Lessee shall increase the performance guarantee upon written demand of Lessor, provided such increases are found reasonable and necessary by Lessor. Lessor may draw or make a claim against the posted performance guarantee for failure of Lessee to perform according to the covenants, terms and conditions of the Lease. If Lessor draws or makes a claim on the posted performance guarantee, Lessee shall replenish the performance guarantee to its original amount within thirty (30) days’ notice of Lessor’s draw or claim unless otherwise agreed by Lessor in writing. The performance guarantee is required to be in place for the entire term of this Lease. Lessee’s failure to provide and maintain a performance guarantee under this paragraph shall be a material breach of this Lease.

If the performance guarantee is in the form of a LOC, Lessee will use Lessor approved LOC form attached as Exhibit 6-C. The LOC shall be issued by a local financial institution preferably in the Phoenix Metropolitan area in a form that is satisfactory to the Lessor and Lessor must be able to draw upon the letter of credit at any of the financial institution’s counters in the Phoenix Metropolitan area. Any modification to the Lessor approved LOC form must be approved by Lessor. If an LOC is obtained, then unless Lessor receives a written extension of that LOC, in a form acceptable to Lessor, at least sixty (60) days before the end of the term of such LOC, Lessor, without notice to Lessee, may draw upon the full amount of that LOC and retain all proceeds as a cash security pursuant to this Section. Lessor will not pay interest to Lessee on any performance guarantee.

SECTION 14
ASSIGNMENT AND SUBLETTING

SECTION 14.1 – Assignment

14.1.1 Lessee shall not assign, hypothecate, surrender, sublease, or transfer all or any portion of its interest under this Lease, (collectively, an “Assignment”) nor permit any other person, firm or corporation to occupy the Premises without the prior written consent of Lessor. Lessor’s consent may be unreasonably withheld at the sole discretion of Lessor provided, however, that Lessee may, with the consent of Lessor, assign its interest under this Lease to a corporation in which fifty-one percent (51%) or more of the stock is owned by and management is controlled by the same person who owns and controls Lessee. For purposes of this Section, any transfer of control of Lessee’s business by sale of stock consolidation, merger or other means, is considered to be an Assignment of interest.

14.1.2 Lessor, as a condition of approval, will require that any transferee submit biographical and financial information and Lessor shall have thirty (30) days from the date Lessor receives a completed request to approve or deny same.

In the event Lessor consents to an Assignment of this Lease within the first Lease Year, if Lessee receives as any consideration for such Assignment, Lessee shall pay Lessor fifty percent (50%) of the consideration received for such Assignment, less any unamortized initial capital investment. Amortization must be calculated in accordance with Section 7.3.3.
Total capital investment shall equal the total dollar amount identified in Section 7.1.4.

14.1.3 Lessee understands and agrees that any such approval will require Lessee to pay in advance a $250 document processing fee.

14.1.4 This Lease or any interest therein, shall not be subject to Assignment by operation of law. Any Assignment without prior written consent of Lessor shall be null and void.

SECTION 14.2 – Terms of Sublease

14.2.1 Each sublease to this Lease is in all respects subject to and subordinate to this Lease. The terms of this Lease shall be reviewed with each Partner, and each Partner shall confirm in its sublease that such review has occurred. A copy of this Lease shall be attached as an exhibit to each sublease. Lessee shall provide complete copies of the executed subleases to Lessor.

14.2.2 The use, distribution and all associated rent fees for support space Premises among Lessee and its Partners shall be the responsibility of Lessee. Lessor reserves the right to reduce, or relocate Lessee’s support space to other reasonably comparable areas in T3 if available, by giving thirty (30) days’ prior notice.

SECTION 14.3 – Approved Partners

Lessee’s selection of Partners shall be subject to Lessor’s approval and the operation of F&B concession units by Partners shall be in accordance with Exhibit 2-C.

SECTION 15
CANCELLATION BY LESSOR

SECTION 15.1 - General Default

In addition to those events of defaults provided elsewhere in this Lease, Lessor may immediately terminate this Lease by giving Lessee written notice of the immediate termination upon the happening of any of the following events:

15.1.1 The taking of possession for a period of twenty (20) or more days of all or substantially all of the property used on the Premises belonging to Lessee by or pursuant to lawful authority of any legislative act, resolution, rule, order or decree of any court or governmental board, agency, officer, receiver, trustee or liquidator.

15.1.2 The filing of any lien against the Premises because of any act or omission of Lessee that is not discharged or contested in good faith as determined by Lessor by proper legal proceedings within twenty (20) days’ receipt of notice by Lessee.

15.1.3 Unless otherwise provided in this Lease, the breach by, or the failure, or refusal of Lessee to observe or perform, any of the covenants, terms and conditions herein contained and on its part to be observed and performed, which is addressed below, and such failure shall continue for a period of more than twenty (20) days after delivery by Lessor of a written notice of such breach.

15.1.4 The voluntary abandonment by Lessee of its operations at T3 for a period of one day or longer.

SECTION 15.2 - Rental Default
Lessor may place Lessee in default of this Lease by giving Lessee ten (10) days written notice for Lessee’s failure or refusal to timely pay rent as provided in Section 3. During the ten (10) day notice period, Lessee shall cure its rent default, including delinquent fees; otherwise, this Lease may be terminated at Lessor’s sole option without further notice.

SECTION 15.3 - Failure to Commence Construction of Leasehold Improvements

If Lessee fails to commence construction of the Leasehold Improvements in accordance with the Lessor-approved phasing plan or if Lessee fails to furnish the required performance guarantee and insurance policies on or before the time Lessee has given its contractor a Notice to Proceed, this Lease shall be considered breached and may be terminated by Lessor, and Lessee’s performance guarantee shall be forfeited as liquidated damages, not as a penalty, but to cover expenses incurred by Lessor as a result of Lessee’s breach. Further, all of Lessee’s rights and claims upon the Premises shall be immediately forfeited.

SECTION 16
CANCELLATION BY LESSEE

SECTION 16.1 - General Defaults

Lessee may cancel this Lease at any time that it is not in default in its obligations by giving Lessor thirty (30) days written notice after the happening of any of the following events materially impairing the conduct of its normal business from the Premises:

16.1.1 Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining normal use of the Airport or any substantial part of it and the remaining in force of such injunction for a period of ninety (90) consecutive days.

16.1.2 The inability of Lessee or its customers to use, for a period of ninety (90) consecutive days, the Airport or any substantial part of it due to enactment or enforcement of any law or regulation, or because of fire, earthquake or similar casualty, or Acts of God or the public enemy.

16.1.3 The lawful assumption by the United States (U.S.) government of the operation, control, or use of the Airport or any substantial part of it for military purposes in time of war or national emergency.

SECTION 17
REDELIVERY AND HOLDING OVER

SECTION 17.1 - Redelivery

Upon expiration or other termination of this Lease, Lessee’s right to occupy the Premises and exercise of the privileges herein granted shall cease and it shall surrender the same and leave the Premises in good condition except for normal wear and tear. Unless otherwise provided, personal property placed by Lessee on the Premises shall remain the property of Lessee, and Lessee shall have the right at any time during the term of the Lease, and for up to an additional period of thirty (30) calendar days after its expiration, to remove same from
Airports; provided Lessee is not in default in its payments to Lessor hereunder, and provided that Lessee shall repair any damage caused by such removal. In the event Lessee fails to repair any damage to the Premises caused by the removal of Lessee's personal property, Lessor shall have the right to make such repairs it deems necessary at Lessee's sole expense. If Lessee's personal property remains on the Premises up to an additional period of thirty (30) days after expiration, cancellation or termination of the Lease, then Lessee shall pay the proportionate share of rent for every day that the personal property remains on the Premises. Any personal property not removed by Lessee within the thirty (30) day period shall become a part of the Premises and title thereto shall vest in Lessor.

SECTION 17.2 - Holding Over

Lessor may, at its option, allow Lessee to hold over under this Lease on a month-to-month basis. It is agreed and understood that any holding over of Lessee after the termination of this Lease with Lessor's consent shall not renew and extend the Primary Term but shall operate and be construed as a month-to-month permit and Lessee agrees to pay to Lessor fees or other payments that are in effect at the end of the Primary Term of the Lease unless Lessor has given prior notice of any increased fees. Such increase in fees may be given at any time with notice of not less than sixty (60) days. Lessee shall be liable to Lessor for all loss or damage on account of any such holding over against Lessor's will after the termination of this Lease, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing payment to Lessor in the event that Lessee fails or refuses to surrender possession shall not constitute a waiver by Lessor of its right to immediate possession.

SECTION 18
DAMAGE OR DESTRUCTION

SECTION 18.1 - Damage or Destruction to T3 or to Unimproved Shell

18.1.1 Lessor shall be under no obligation to repair damage or destruction to T3 or to the unimproved shell. At Lessor's sole discretion, Lessor may choose not to repair or reconstruct if the repairs cannot be made within six (6) months, if repair of damage deemed too costly by Lessor, or if the lease term would expire within twelve (12) months from the date of the damage or destruction.

18.1.2 If the unimproved shell is damaged by fire, explosion, Act of God, the public enemy, or other casualty, but not rendered untenable, the same may be repaired with due diligence by Lessor at its own cost and expense. If such damage is so extensive as to render the unimproved shell untenable, but capable of being repaired within six (6) months, the same may be repaired with due diligence by Lessor at its own cost and expense, and the rent payable under Section 3 shall be proportionately paid up to the time of such damage, and thereafter abate and cease until such time as the unimproved shell is again tenable.

18.1.3 If any portion of T3 other than the unimproved shell is so damaged and such damage is capable of being repaired within six (6) months, the same may be repaired, with due diligence by Lessor at its own cost and expense. If such damage is so extensive as to
substantially impair Lessee’s operations within the Premises, the rent payable hereunder shall be paid up to the time of such damage, and thereafter shall be equitably reduced in proportion to such impairment until such time as Lessee’s operations shall be fully restored.

18.1.4 If either the unimproved shell, excluding Lessee’s Trade Fixtures or Leasehold Improvements, or T3, or both, be completely destroyed by fire, explosion, Act of God, the public enemy or other casualty, or so damaged as to be untenable and incapable of being repaired within six (6) months the rent obligations of Lessee hereunder shall be paid up to the time of such damage or destruction, and thereafter shall be proportionately reduced for impaired operation, or if no operation is possible, shall cease until such time as the Premises are fully restored, and rent obligations shall thereafter resume in the same proportion as Lessee’s operation on the Premises shall resume.

18.1.5 If the damage or destruction to the unimproved shell, Trade Fixtures or Leasehold Improvements, or T3, or all of the above, renders the entire premise untenable and is not repaired or restored within twelve (12) months after such damage or destruction, Lessor or Lessee shall have the right to cancel this Lease upon written notice to the other party as to such election.

18.1.6 If damage was caused by Lessee, Lessee shall pay for the repair or restoration at Lessee’s own cost and expense.

SECTION 18.2 - Damage to Premises

If any of the Leasehold Improvements or Trade Fixtures constructed or installed by Lessee in or at the Premises are damaged or destroyed by fire, explosion, Act of God, the public enemy or other casualty, Lessee shall repair or replace the same with due diligence at its own cost and expense. Such replacements or repairs shall be equivalent to or better in quality than the Leasehold Improvements and Trade Fixtures so destroyed or damaged. This paragraph shall not be applicable, however, if Lessor is not obligated and elects not to rebuild pursuant to Section 18.1. If Lessee fails to repair or replace such damaged Leasehold Improvements or Trade Fixtures subject to a schedule approved by Lessor and provided that this Lease has not been canceled, Lessor may make such repairs or replacement and recover from Lessee the cost and expense of such repair or replacement, plus an additional twenty-five percent (25%) of the expenses for Lessor’s administrative costs.

SECTION 18.3 - Protection of Contents of Premises

Protection against loss by fire or other casualty to the contents of the Premises shall not at any time be an obligation of the Lessor.

SECTION 19
FORCE MAJEURE

In the event Lessor or Lessee shall be prevented or unable to perform any act required by this Lease by reason of acts or determination of federal, state or local governments or fire, earthquake or similar Acts of God, or any other reason of a like nature beyond their control, then performance of such act shall be extended for a period equivalent to the period of delay; provided, however, that no such delay shall exceed ninety (90) days unless approved in writing by Lessor; otherwise, this Lease shall terminate.
SECTION 20
ATTORNEYS’ FEES

In the event of litigation between Lessor and Lessee to enforce the rights or obligations provided by this Lease, the non-prevailing party shall pay for the prevailing party’s reasonable attorneys’ fees and costs of litigation as may be determined by the court.

SECTION 21
AMENDMENT

Any amendment, modification, or alteration of this Lease shall be effective only if mutually agreed upon, reduced to writing, and signed by both parties.

SECTION 22
RELATIONSHIP OF PARTIES

Nothing contained in this Lease shall be deemed or construed by Lessor or Lessee, or by any third party, as creating the relationship of principal and sublessee, agent, Partners, joint venturers, or any other similar such relationship, between Lessor and Lessee. It is understood and agreed that neither the method of computation of rent and other payments, nor any other provision contained in this Lease, nor any acts of Lessor or Lessee creates a relationship other than the relationship of Lessor and Lessee as described in this Lease.

Lessee agrees no persons supplied by it in the performance of the Lease are employees of Lessor and further agrees no rights to Lessor's civil service, retirement or personnel rules and benefits accrue to such persons.

Lessee shall be responsible for all salaries, wages, bonuses, retirement, withholdings, workers' compensation, unemployment compensation, other benefits, taxes and premiums appurtenant thereto concerning such persons provided by Lessee in the performance of the Lease, and Lessee shall save and hold Lessor harmless with respect thereto.

SECTION 23
NO THIRD-PARTY BENEFICIARIES

The parties expressly agree that this Lease is not intended by any of its provisions to create any right of the public or any member thereof as a third party beneficiary nor to authorize anyone not a party to this Lease to maintain a suit for injuries or damage pursuant to the terms or provisions of this Lease.

SECTION 24
PROHIBITED INTERESTS

No member, officer, or employee of Lessor during his or her tenure, and for one (1) year thereafter, shall have any interest, direct or indirect, in this Lease or its proceeds.

SECTION 25
QUIET ENJOYMENT
Lessor agrees that, on payment of rent and all other fees due Lessor and the performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Premises free from interference from Lessor except as may otherwise be provided herein and the privileges granted herein for the commercial use of Airport facilities.

SECTION 26
COMPLIANCE WITH LAWS

SECTION 26.1 - Rules and Regulations

26.1.1 Lessee, its officers, Partners, agents, employees, contractors, and any other person whom Lessee controls or has the right to control shall comply with all present and future laws, ordinances, orders, directives, rules, and regulations of the U.S. government, the State of Arizona, the County of Maricopa, and the City and all agencies thereof that may be applicable to its operations or to the operation, management, maintenance or administration of the Airport now in effect or hereafter promulgated, without limits to other conditions in this Lease.

26.1.2 Without limiting the above, in performing this Lease, Lessee its officers, Partners, agents, employees, contractors, and any other person whom Lessee controls or has the right to control, shall comply with Section 504 of the Rehabilitation Act of 1973 (Section 504), and the Americans with Disabilities Act of 1990 (ADA), and all pertinent Executive Orders, regulations and rules promulgated thereunder, and must train all employees and agents performing under this Lease on Section 504 and ADA requirements.

26.1.3 Compliance with Environmental Laws - Lessee shall, at its own expense, comply with all present and subsequently enacted environmental law, and any amendments thereto, affecting Lessee’s use of the Premises including the requirements set forth in Exhibit 7-C (“Compliance with Environmental Laws”) attached hereto and incorporated herein by reference.

SECTION 26.2 - Supplemental Terms and Conditions to All Airport Agreements

Without limiting any other conditions set forth in this Lease, Lessee shall comply with the specific requirements more particularly set forth in Exhibit 8-C (“Supplemental Terms and Conditions to All Airport Agreements”), attached hereto and incorporated herein by reference.

SECTION 26.3 - Taxes and Licenses

26.3.1 Lessee shall pay, on or before their respective due dates, to the appropriate collecting authority, any and all leasehold tax, sales tax, transaction privilege tax, federal, state, and local taxes, including real or personal property taxes and business taxes that are now or may be levied upon the Premises, or upon Lessee, upon Lessee’s interest in this Lease, or upon the business conducted on the Premises, or upon any of Lessee’s property used in connection with the Premises whether or not such tax, fee or assessment is levied, charged or assessed on City or Lessee; provided, however, that Lessee may at its sole expense dispute and contest these taxes and in such case such disputed items need not be paid until finally adjudged to be valid. In the event laws or judicial decisions result in imposition of a real property tax on the interest of Lessor, the prorata share of such tax...
attributable to the Premises should also be paid by Lessee for the period this Lease is in effect.

26.3.2 Lessee shall maintain in current status all federal, state, and local licenses and permits necessary or required by law for the construction of Leasehold Improvements and/or the installation of Trade Fixtures, and any other licenses necessary for the operation of Lessee’s F&B concessions.

SECTION 27
GENERAL PROVISIONS

SECTION 27.1 – ACDBE, DBE, and Small Business Utilization

27.1.1 The City encourages Lessee to voluntarily utilize small businesses wherever possible in accordance with the service standards of this Lease.

27.1.2 Lessee acknowledges it proposed the following utilization throughout the term of this Lease.

a. Participation as Partners as a percentage of this Lease’s value: ACDBE ______ percent (%), DBE ______ percent (%), and Small Business ______ percent (%).

b. Participation as suppliers of goods and services as a percentage of the operating expenses or cost of goods sold associated with this Lease: Lessee: ACDBE ______ percent (%), DBE ______ percent (%), and Small Business ______ percent (%).

Lessee agrees to maintain the above-listed ACDBE, DBE and small business utilization throughout the term of the Lease. Lessee agrees to notify the City of Phoenix Equal Opportunity Department of any changes in ACDBE, DBE or small business status, including level of utilization, identity of ACDBE, DBE or small business Partners and suppliers of goods and services, if applicable, and eligibility of those businesses for ACDBE or DBE designation. Lessee agrees to use continued good faith efforts to maintain the utilization of its ACDBE, DBE and small business Partners in its Retail concessions included in this Lease.

27.1.3 If during the term of this Lease an ACDBE, DBE or small business Partner or supplier of goods and services is no longer available to conduct business with Lessee, then Lessee will be required to conduct outreach efforts to continue to achieve small business utilization in accordance with this Lease. The outreach efforts by Lessee must meet requirements of Lessor and the selection of the replacement Partner or supplier of goods and services is subject to the approval of the Lessor.

27.1.4 This Lease shall be subject to review for ACDBE or DBE utilization and goals may be established before any Lease extension.

27.1.5 Failure of Lessee to maintain its ACDBE, DBE or small business utilization throughout the term of the Lease, or to demonstrate it has met the outreach requirements for a reduction in the amount of utilization, may be a material breach of the Lease.

SECTION 27.2 - Equal Employment Opportunity and Equal Pay
A. In order to do business with the City, Consultant must comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended, Equal Employment Opportunity Requirements.

B. Any supplier/lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee will SHALL ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, AND SHALL ADHERE TO A POLICY TO PAY EQUAL COMPENSATION TO MEN AND WOMEN WHO PERFORM JOBS THAT REQUIRE SUBSTANTIALLY EQUAL SKILL, EFFORT, AND RESPONSIBILITY, AND THAT ARE PERFORMED WITHIN THE SAME ESTABLISHMENT UNDER SIMILAR WORKING CONDITIONS. Such actions shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract.

Supplier/lessee further agrees that this clause will be incorporated in all subcontracts, job-consultant agreements or subleases of this agreement entered into by supplier/lessee. The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.

SECTION 27.3 - Subordination to Agreements with the United States

This Lease is subject to and subordinate to the provisions of any agreement currently in force or subsequently made between Lessor and the U.S. government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to Lessor for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. Lessor warrants it has no existing agreements with the U.S. government in conflict with the express provisions of this Lease.

SECTION 27.4 - Notices

Any notice, consent or other communication (“Notice”) required or permitted under this Lease shall be in writing and either: (1) delivered in person; (2) sent via e-mail, return receipt requested; (3) sent via facsimile transmission; (4) deposited with any commercial air courier or express delivery service; or (5) deposited in the U.S. mail, postage prepaid.
If to Lessor: City of Phoenix Aviation Department  
Business & Properties Division  
3400 East Sky Harbor Boulevard, Suite 3300 Phoenix,  
AZ  85034-4405  
ATTN: Terminal Concessions  
Telephone:  (602) 273-4085  
Facsimile:  (602) 273-4083  
E-Mail:  paula.kucharz@phoenix.gov

If to Lessee:  
Company Name  
Address 1  
Address 2  
ATTN: Contact Name  
Telephone:  (___) ___-____  
Facsimile:  (___) ___-____  
E-Mail:  _______@_________.___

Notice shall be deemed received: (1) at the time it is personally served; (2) on the day it is sent via e-mail; (3) on the day it is sent via facsimile transmission; (4) on the second day after its deposit with any commercial air courier or express delivery service; or (5) five (5) business days after the Notice is deposited in the U.S. mail as above provided. Any time period stated in a Notice will be computed from the time the Notice is deemed received.  

Notices sent by e-mail and facsimile transmission will also be sent by regular mail to the recipient at the above address. This requirement for duplicate Notice is not intended to change the effective date of the Notice sent by e-mail or facsimile transmission.  
SECTION 27.5 - Approvals, Consents and Notices  

All approvals, consents and notices called for in this Lease must be in writing and may not be established by oral testimony.  

SECTION 27.6 – Offset Provisions  

27.6.1 Lessee acknowledges and accepts the provisions of Chapter 18, Section 14 of the Charter of the City of Phoenix, pertaining to claims or demands against the City, including provisions therein for set-off of indebtedness to the City against demands on the City, which require that no payment be made to Lessee as long as there is any outstanding liquidated undisputed obligation due to the City and direct that any such obligations be offset against any payment due Lessee.  

27.6.2 Lessee agrees to adhere to the prescribed procedure for presentation of claims and demands. Nothing in Chapter 18, Section 14 of the Charter of the City of Phoenix alters, amends or modifies the supplemental and complementary requirements of the State of Arizona Notice of Claim statutes, Arizona Revised Statutes (A.R.S.) §§ 12-821 and
12-821.01, pertaining to claims or demands against the City. If for any reason it is determined that the City Charter and state law conflict, then state law shall control.

Moreover, nothing in this Lease shall constitute a dispute resolution process, an administrative claims process, or contractual term as used in A.R.S. § 12-821.01(C), sufficient to affect the date on which the cause of action accrues within A.R.S. § 12-821.01(A) and (B).

SECTION 27.7 - Transactional Conflicts of Interest

Lessee acknowledges that this Lease is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

SECTION 27.8 - Paragraph Headings

All section and subsection headings of this Lease are inserted for reference only and shall not be considered to define or limit the scope of any provision.

SECTION 27.9 - Saving Clause

Should any provision of this Lease be declared invalid by a court of competent jurisdiction, the remaining terms shall nonetheless remain effective, provided that elimination of the invalid provision does not materially prejudice either Lessor or Lessee with regard to their respective rights and obligations.

SECTION 27.10 - Waiver of Claims

Lessee hereby waives any claim against Lessor and its officers or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Lease or any part of this Lease, or by any judgment or award in any suit proceeding declaring this Lease null, void, or voidable, or delaying the Lease or any part of it from being carried out.

SECTION 27.11 - Corporation Authorization

In the event Lessee is a corporation, certified copies of resolutions of the directors and stockholders authorizing this Lease shall be furnished to Lessor prior to final execution of this Lease.

Contract holder must be authorized or registered to transact business in the state of Arizona and must be in good standing prior to City Council approval.

SECTION 27.12 - Right to Develop Airport

Lessee agrees Lessor reserves the right to further develop or improve the Airport and all landing areas and taxiways as Lessor may see fit, regardless of the desires or views of Lessee and without any interference or hindrance from Lessee.

SECTION 27.13 - Incorporation of Exhibits
All exhibits and documents referred to in this Lease are intended to be and hereby are specifically made a part of this Lease.

SECTION 27.14 - Incorporation of Required Provisions

Lessor and Lessee hereby incorporate by this reference all provisions lawfully required to be contained in this Lease by any governmental body or agency.

SECTION 27.15 - Successors and Assigns Bound

All the provisions of this Lease shall bind the legal representatives’ successors and assigns of the respective parties.

SECTION 27.16 - Right to Amend

In the event that the FAA or its successors requires modifications or changes in this Lease as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Lease as may be reasonably required to satisfy the FAA requirements.

SECTION 27.17 - Time of Essence

It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

SECTION 27.18 - Good Faith

The terms and conditions set forth in this Lease are for the mutual benefit of both parties. Because of the nature of this Lease, Lessor and Lessee agree that there is an obligation and implied duty of reasonable diligence and good faith imposed on both parties to make reasonable efforts to fulfill the terms, conditions, and covenants imposed by this Lease.

SECTION 27.19 - Interpretation

Lessor and Lessee agree that any rule of construction of contracts resolving disputes of interpretation against the drafting party is waived and shall be inapplicable to this document.

SECTION 27.20 - Entire Lease

It is understood and agreed that this Lease (including all exhibits and documents incorporated by reference) contains the entire Lease between Lessor and Lessee as to this Lease. Lessee’s response to the F&B Concessions at PHX Terminal 3 Revenue Contract Solicitation (RCS) is incorporated by reference as fully set forth herein. It is further understood and agreed by Lessee that Lessor and Lessor’s agents have made no representations or promises with respect to this Lease or the making or entry into this Lease, except as in this Lease expressly set forth, and that no claim or liability or cause for termination shall be
asserted by Lessee against Lessor for, and Lessor shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Lease. Any other written or parole agreement with Lessor is expressly waived by Lessee. It is understood Lessor requires leases to be in writing and adopted by the City Council.

SECTION 27.21 - Conflicts

Conflicts among the documents composing this Lease shall be resolved in favor of the document that appears earliest in the following list:

a. Lease amendments, with later amendments superseding inconsistent provisions of earlier amendments;

b. This Lease including all Exhibits.

c. F&B Concessions at PHX Terminal 3 Revenue Contract Solicitation (RCS) Response

SECTION 27.22 - Hazard, Potential Hazard, Nuisance, or Annoyance

Any nuisance, annoyance, or hazardous or potentially hazardous condition on or emanating from the Premises shall be corrected immediately upon Lessee’s actual knowledge of the condition, nuisance, or annoyance or receipt of oral or written notice from Lessor. If, in Lessor’s sole discretion, a hazard or potentially hazardous condition presents an unreasonable and imminent risk of bodily injury, Lessor may require Lessee to close its business and bar the public from the Premises until the hazard or potentially hazardous condition has been abated. Nothing in this subsection shall be deemed to preclude Lessor from pursuing any available remedy for breach of this Lease. Lessee’s failure to promptly correct a nuisance, annoyance, or hazardous or potentially hazardous condition under this paragraph shall be a material breach of this Lease.

SECTION 27.23 – Airport Security Plan

Lessor has implemented an Airport Security Program (Program) in a form acceptable to the Federal Aviation Administration (FAA) and/or Transportation Security Administration (TSA) pursuant to Title 49 Code of Federal Regulations. Lessor reserves the right to modify that Program from time to time as it deems necessary to accomplish its purposes. Lessee shall at all times comply with the Program and indemnify and hold harmless Lessor from any violations of the Program committed by Lessee, its employees, agents, invitees or contractors.

SECTION 27.24 – Lessee and Sublessee Worker Background Screening

27.24.1 Lessee agrees all employees and subcontractors [collectively “Contract Worker(s)”] that Lessee and its Partners furnish to the City pursuant to this Lease shall be subject to background and security checks and screening (collectively “Background Screening”) at Lessee’s sole cost and expense as set forth in this Section. The Background Screening provided by Lessee shall comply with all applicable laws, rules and regulations. Lessee further agrees the Background Screening required in this Section is necessary to preserve and protect public health, safety and welfare. The Background Screening requirements set forth in this Section are the minimum requirements for this Lease. The City in

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no way warrants that these minimum requirements are sufficient to protect Lessee from any liabilities that may arise out of Lessee’s services under this Lease or Lessee’s failure to comply with this Section. Therefore, in addition to the specific measures set forth below, Lessee and its Contract Workers shall take such other reasonable, prudent and necessary measures to further preserve and protect public health, safety and welfare when providing services under this Lease.

27.24.2 Lessee agrees it will verify legal Arizona worker status as required by A.R.S. § 41-4401. Lessee further agrees it will conduct a background check for real identity/legal name on all Contract Workers prior to proposing the Contract Worker to the City.

27.24.3 In addition to the foregoing, the City reserves the right but not the obligations to: (1) have a Contract Worker be required to provide fingerprints and execute such other documentation as may be necessary to obtain criminal justice information pursuant to A.R.S. § 41-1750(G)(4) or Phoenix City Code § 4-22; (2) act on newly acquired information whether or not such information should have been previously discovered; (3) unilaterally change its standards and criteria relative to the acceptability of Contract Workers; and (4) object, at any time and for any reason, to a Contract Worker performing work (including supervision and oversight) under this Lease.

27.24.4 By executing this Lease, Lessee certifies and warrants it has read the Background Screening requirements and criteria in this Section, understands them and that all Background Screening information furnished to the City is accurate and current. Also, by executing this Lease, Lessee further certifies and warrants it has satisfied all such Background Screening requirements as required. A Contract Worker rejected for work under this Lease shall not be proposed to perform work under other City contracts or engagements without the City’s prior written approval.

27.24.5 Lessee shall include the terms of this Section for Contract Worker Background Screening in all contracts and subcontracts for services furnished under this Lease including, but not limited to, supervision and oversight services.

27.24.6 The Background Screening requirements of this Section are material to the City’s entry into this Lease and any breach of this Section by Lessee shall be deemed a material breach of this Lease. In addition to the indemnity provisions set forth in Section 12 of this Lease, Lessee shall defend, indemnify and hold harmless the City for any and all Claims (as defined in Section 12) arising out of this Background Screening Section including, but not limited to, the disqualification of a Contract Worker by Lessee or the City for failure to satisfy this Section.

27.24.7 Lessee’s obligations and requirements that Contract Workers satisfy this Background Screening Section shall continue throughout the entire term of this Lease.

27.24.8 Lessee shall notify the City immediately of any change to a Background Screening of a Contract Worker previously approved by the City. Lessee shall maintain all records and documents related to all Background Screenings and the City reserves the right to audit Lessee’s compliance with this Section pursuant to Section 3.9.

SECTION 27.25 – Contract Worker Access Controls, Badge and Key Access Requirements

27.25.1 A CONTRACT WORKER SHALL NOT BE ALLOWED TO BEGIN WORK IN ANY CITY FACILITY WITHOUT: (1) THE PRIOR COMPLETION AND THE CITY’S ACCEPTANCE OF THE REQUIRED BACKGROUND SCREENING; AND (2) WHEN REQUIRED, THE CONTRACT WORKER’S RECEIPT OF A CITY ISSUED BADGE. A
BADGE WILL BE ISSUED TO A CONTRACT WORKER SOLELY FOR ACCESS TO THE CITY FACILITY(S) TO WHICH THE CONTRACT WORKER IS ASSIGNED. EACH CONTRACT WORKER WHO ENTERS A CITY FACILITY MUST USE THE BADGE ISSUED TO THE CONTRACT WORKER.

27.25.2 After receipt of the badge application, the Contract Worker will proceed to the badging office for processing of the badge application and issuance of the badge. The City will not process the badge application until the Contract Worker satisfies the required Background Screening (as defined herein). The Contract Worker shall comply with all requirements and furnish all requested information as requested by the badging office. Any and all fees associated with security badging will be assessed in compliance with Phoenix City Code § 4-22.

27.25.3 If the Contract Worker’s services require keyed access to enter a City facility(s), a separate key issue/return form must be completed and submitted by Lessee for each key issued.

27.25.4 Lessee shall report lost or stolen badges or keys to the City immediately. A new badge application or key issue form shall be completed and submitted along with payment of the applicable fees prior to issuance of a new badge or key.

27.25.5 All badges and keys are the property of the City and must be returned to the City at the badging office within one (1) business day of when the Contract Worker’s access to a City facility is no longer required to furnish the services under this Lease. Lessee shall collect a Contract Worker’s badge and key(s) upon the termination of the Contract Worker’s employment; when the Contract Worker’s services are no longer required at the particular City facility(s); or upon termination, cancellation, or expiration of this Lease.

27.25.6 Lessee’s default under this Section shall include, but is not limited to, the following: (1) Contract Worker gains access to a City facility(s) without the proper badge or key; (2) Contract Worker uses a badge or key of another to gain access to a City facility; (3) Contract Worker commences services under this Lease without the proper badge, key or Background Screening; (4) Contract Worker or Lessee submits false information or negligently submits wrong information to the City to obtain a badge, key or applicable Background Screening; or (5) Lessee fails to collect and timely return Contract Worker’s badge or key upon termination of Contract Worker’s employment, reassignment of Contract Worker to another City facility or upon the expiration, cancellation or termination of this Lease. Lessee acknowledges and agrees the access control, badge and key requirements in this Section are necessary to preserve and protect public health, safety, and welfare. Accordingly, Lessee agrees to properly cure any default under this Section within three (3) business days from the date notice of default is sent by the City. The parties agree Lessee’s failure to properly cure any default under this Section shall constitute a breach of this Section. In addition to any other remedy available to the City at law or in equity, Lessee shall be liable for and shall pay to the City the sum of one thousand dollars ($1,000) for each breach by Lessee of this Section. The parties further agree the sum fixed above is reasonable and approximates the actual or anticipated loss to the City at the time and making of this Lease in the event Lessee breaches this Section. Further, the parties expressly acknowledge and agree to the fixed sum set forth above because of the difficulty of proving the City’s actual damages in the event Lessee breaches this Section. The parties further agree three (3) breaches by Lessee of this Section arising out of any default within a consecutive period of three (3) months, or three (3) breaches by Lessee of this Section arising out of the
same default within a period of twelve (12) consecutive months, shall constitute a material breach of this Lease by Lessor and the City expressly reserves all of its rights, remedies and interests under this Lease, at law and in equity including, but not limited to, termination of this Lease.

SECTION 27.26 - Lessor Improvements to T3

Lessor and Lessee agree and acknowledge that, from time to time, Lessor may undertake improvements to T3 during the term of this Lease. Lessor will attempt to make those improvements in a manner that does not interfere unreasonably with the operations of Lessee authorized under this Lease. Lessee expressly waives any and all claims for damages of any kind, including but not limited to, loss of profits as a result of the interruption of business of Lessee that may arise as a result of such improvements undertaken by Lessor.

SECTION 27.27 - Statutory Remedies

A.R.S. Title 33, Chapter 3, Article 4, entitled “Remedies of Landlord” and any subsequent amendments shall apply to this Lease and shall be in addition to any other remedy available to Lessor under law or in equity at the election of Lessor.

SECTION 27.28 - Non-Waiver

No waiver or failure or delay in exercising any rights, power, or privilege by Lessor of default by Lessee in performance of any requirements of this Lease shall be construed to be or act as a waiver of any subsequent default in performance of the same or any other requirement. The acceptance of rent or other payments by Lessor for any period or periods after a default by Lessee shall not be deemed a waiver of Lessor's right to exercise its remedies under this Lease for nonperformance.

SECTION 27.29 - Tenant Liability Continues

No such cancellation or termination of this Lease shall relieve Lessee of its liability and obligations under this Lease and such liability and obligations shall survive any such expiration or termination.

SECTION 27.30 - Lessee Bankruptcy

In the event that a petition in bankruptcy is filed:

a. this Lease shall be deemed to be a “Shopping Center Lease” as provided in 11 U.S.C. §365(b)(2)(D) and (b)(3), governing certain non-monetary defaults;

b. Lessor shall have the right to cure and be reimbursed for any non-monetary defaults that it cures;

c. Under 11 USC § 365(b)(1), the meaning of a “prompt” cure shall be defined as a cure which occurs within thirty (30) days; and

d. Lessee shall seek no more than an additional thirty (30) days in addition to the time provided by law whenever Lessee may petition the court for “additional time.”
SECTION 27.31 Governing Law; Forum; Venue

This Lease is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) shall govern their interpretation and enforcement. Any action brought to interpret or enforce any provision of this Lease that cannot be administratively resolved, or otherwise related to or arising from this Lease, shall be commenced and maintained in the state or federal courts of the State of Arizona, Maricopa County, and each of the parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

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

CITY OF PHOENIX, a municipal corporation
Ed Zuercher, City Manager

By: ______________________________
James E. Bennett, A.A.E.
Director of Aviation Services

ATTEST:

______________________________
City Clerk

APPROVED AS TO FORM:

______________________________
Acting City Attorney

Lessee

Company Name
State and Type of Business Entity

By: ______________________________
PRINT NAME

Title: ______________________________

Signature: ______________________________
EXHIBIT 1 – C
(Food & Beverage Lease)

Premises

To be added prior to Lease execution

(Visit https://www.phoenix.gov/solicitations/493 to view the T3 Food and Beverage, Retail and Services Locations Map [Premises])
EXHIBIT 2 – C
(Food & Beverage Lease)

Concepts

To be added prior to Lease execution
EXHIBIT 3 – C
(Food & Beverage Lease)

Tenant Design Criteria

To be added prior to Lease execution

TENANT DESIGN CRITERIA VOL.’S 1 & 2 (Exhibit 3-C) ARE LOCATED AT:
www.phoenix.gov/solicitations/493

ALL RESPONDENTS ARE RESPONSIBLE FOR REVIEWING EXHIBIT 3-C IN ITS ENTIRETY PRIOR TO SUBMITTING A RESPONSE(S) TO THIS RCS. THE TENANT DESIGN CRITERIA VOL.’S 1 & 2 BECOME COMPONENTS OF THE LEASE.

IT IS RECOMMENDED RESPONDENTS DOWNLOAD EXHIBIT 3-C FOR THEIR RECORDS
## T3 Processor: Concessions
### Architectural Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Approx. Area (s.f.)</th>
<th>Partitions / Walls</th>
<th>Storefront Structure / Frame Finishes</th>
<th>Rated Shaft &amp; Roof Curb - Above</th>
<th>Roof Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>809</td>
<td>Tenant Provided</td>
<td>Tenant Provided</td>
<td>N/A</td>
<td>N/A</td>
<td>Temporary Wall by Landlord</td>
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<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td>4,525</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>(1) 2-Hour Rated Shaft To Roof by Landlord</td>
<td>Roof Curb/Caps &amp; 600 s.f. area. Provided by Landlord</td>
<td>Temporary Wall by Landlord</td>
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<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>7,102</td>
<td>(2) Service Doors Provided</td>
<td>Tenant Provided</td>
<td>(2) 2-Hour Rated Shafts To Roof by Landlord</td>
<td>(2) Roof Curb/Caps &amp; 650 s.f. area. Provided by Landlord</td>
<td>Temporary Wall by Landlord</td>
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<tr>
<td>T3P-F4</td>
<td>PASS</td>
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<td>Circulation Easement For Access to Amenities.</td>
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<td>T3P-R1</td>
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<td>News / Convenience</td>
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<td>T3P-R2</td>
<td>PASS</td>
<td>Women's / Men's Boutique</td>
<td>1,756</td>
<td>Service Door Provided</td>
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<td>T3P-R5</td>
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<td>1,022</td>
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<td>N/A</td>
<td>Demising &amp; Temporary Wall by Landlord</td>
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<tr>
<td>Space ID</td>
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<td>Partitions / Walls</td>
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<td>Roof Area</td>
<td>Comments</td>
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<td>T3S-F6</td>
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<td>Tenant Provided</td>
<td>No Shaft Provided, Roof Opening/Curb Provided</td>
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<td>T3S-F7</td>
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<td>5,079</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>No Shaft Provided, (2) Roof Opening/Curb Provided</td>
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<td>T3S-F8</td>
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<td>Restaurant / Lounge / Quick Serve</td>
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<td>Tenant Provided</td>
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<td>1,974</td>
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<td>Tenant Provided</td>
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<td>T3S-R8</td>
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<td>Structure &amp; Frame Finish by Landlord, Infill by Tenant.</td>
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<td>Area On Roof Provided</td>
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<tr>
<td>T3S-R9</td>
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<td>1,457</td>
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<td>1,648</td>
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<td>Space ID</td>
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<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick</td>
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<td>Tenant Provided</td>
<td>Tenant Provided</td>
<td>No Shaft Provided. Roof Opening/Curb Provided.</td>
<td>Roof Area provided</td>
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<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>1,881</td>
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<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant.</td>
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<tr>
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# T3 Processor: Concessions
## Plumbing & Mechanical Infrastructure

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<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td></td>
<td>1-1/2&quot;</td>
<td>4&quot; Capped at grade</td>
<td>N/A</td>
<td>3&quot;</td>
<td>Low Pressure Duct Available for Tenant Use</td>
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<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
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<td>2&quot;</td>
<td>4&quot;(*)</td>
<td>4&quot;(*)</td>
<td>3&quot;</td>
<td>Landlord Provided</td>
<td>Yes. (1) 2 HR. Rated Shafts to Roof Provided</td>
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<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td></td>
<td>(3) 2&quot;</td>
<td>(3) 4&quot;</td>
<td>(1) 4&quot;, (2) 6&quot;</td>
<td>(3) 3&quot;</td>
<td>Landlord Provided</td>
<td>Yes. (2) 2 HR. Rated Shafts to Roof Provided</td>
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<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td></td>
<td>3/4&quot;</td>
<td>3&quot;(*)</td>
<td>4&quot;(*)</td>
<td>3&quot;</td>
<td>(1) Fan Coil w/ OSA Landlord Provided</td>
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</tr>
<tr>
<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Landlord Provided</td>
<td>N/A</td>
</tr>
<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women's / Men's Boutique</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Landlord Provided</td>
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<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td></td>
<td>N/A</td>
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<td>N/A</td>
<td>N/A</td>
<td>Landlord Provided</td>
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<tr>
<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Landlord Provided</td>
<td>N/A</td>
</tr>
<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate / Candy</td>
<td></td>
<td>1 1/2&quot;</td>
<td>4&quot;(*)</td>
<td>N/A</td>
<td>3&quot;</td>
<td>Landlord Provided</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**COMMENTS:**

(*) Sanitary sewer and grease waste lines below slab & stubbed to edge or face of space lease line above.

(**) Cold water line capped below slab.
# City of Phoenix
## Aviation Department
### Food and Beverage and Retail Concessions at PHX Terminal 3

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>2”(**)</td>
<td>4”(*)</td>
<td>4”(*)</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>Yes, Area on Roof Provided</td>
<td></td>
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<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>2”(**)</td>
<td>Two 4”(*)</td>
<td>4”(*)</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>Yes, Area on Roof Provided</td>
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</tr>
<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve / Specialty</td>
<td>2”(**)</td>
<td>4”(*)</td>
<td>4”(*)</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>Yes, Area on Roof Provided</td>
<td></td>
</tr>
<tr>
<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
<td>2”(**)</td>
<td>4”(*)</td>
<td>4”(*)</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>Yes, Area on Roof Provided</td>
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<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>2”(**)</td>
<td>4”(*)</td>
<td>N/A</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>N/A</td>
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<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td>N/A</td>
<td>4”(*)</td>
<td>N/A</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>N/A</td>
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<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td>N/A</td>
<td>4”(*)</td>
<td>N/A</td>
<td>4”</td>
<td>Landlord Provided</td>
<td>N/A</td>
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<tr>
<td>T3S-R12</td>
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<td>News / Convenience / Coffee</td>
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<td>4”(*)</td>
<td>N/A</td>
<td>3”</td>
<td>Landlord Provided</td>
<td>N/A</td>
<td></td>
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</tbody>
</table>

**COMMENTS:**

(*) Sanitary sewer, grease waste, or vent piping below slab & stubbed to edge or face of space lease line above.

(**) Cold water piping capped below slab.
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>2''(**)</td>
<td>4''(*)</td>
<td>4'(*)</td>
<td>4''</td>
<td></td>
<td>Landlord Provided</td>
<td>Yes, Area on Roof Provided</td>
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<td>T3N-R13</td>
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<td>Souvenirs / High Tech</td>
<td>N/A</td>
<td>N/A</td>
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<td>Landlord Provided</td>
<td>N/A</td>
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<td>4'(*)</td>
<td>4''</td>
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<td>Landlord Provided</td>
<td>N/A</td>
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</tbody>
</table>

**COMMENTS:**

(*) Sanitary sewer, grease waste, or vent piping below slab & stubbed to edge or face of space lease line above.

(**) Cold water piping capped below slab.
<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>Lighting</th>
<th>Service Voltage / Phase / Termination</th>
<th>Capacity of Service</th>
<th>Pathway to Demarcation Point</th>
<th>Conductor Topology</th>
<th>Termination Location</th>
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<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 02</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
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<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>(2) 400 AMP Disconnect</td>
<td>2°C to TR 07</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
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<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>(2 each) 2°C to TR 08 (2 each)</td>
<td>2°C to TR 07</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Boxes Above Space</td>
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<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 02</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box in Park Closet</td>
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<td>News / Convenience</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 07</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
<td></td>
</tr>
<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women’s / Men’s Boutique</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 07</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
<td></td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 04</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
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<td>Travel Accessories</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 04</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
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<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate / Candy</td>
<td>Temporary Provided Only</td>
<td>480Y/277V, 3φ, 4W</td>
<td>300 AMP Disconnect</td>
<td>2°C to TR 04</td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
<td>24” Square Junction Box Above Space</td>
<td></td>
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</tbody>
</table>

**COMMENTS**
(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200AMP disconnect switch in space.
## T3 South Concourse: Concessions
### Electrical & Special Systems Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>Lighting</th>
<th>Service Voltage / Phase / Termination</th>
<th>Capacity of Service</th>
<th>Pathway to Demarcation Point</th>
<th>Conductor Topology</th>
<th>Termination Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>400 AMP Disconnect</td>
<td>2°C to TR 13</td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Box</td>
</tr>
<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>(3) 400 AMP Disconnect</td>
<td>2°C to TR 13</td>
<td>(4) Cat. 6</td>
<td>(4) 24&quot;x24&quot; J-Boxes</td>
</tr>
<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>(2) 400 AMP Disconnect</td>
<td>2°C to TR 12</td>
<td>(2) each: (4) Cat. 6</td>
<td>(2) 24&quot;x24&quot; J-Boxes (under slab)</td>
</tr>
<tr>
<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>400 AMP Disconnect</td>
<td>2°C to TR 10</td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Box</td>
</tr>
<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>(2) 200 AMP Disconnect</td>
<td>(2) each: (2) Cat. 6</td>
<td>(2) each: (4) Cat. 6</td>
<td>(2) 24&quot;x24&quot; J-Box</td>
</tr>
<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>200 AMP Disconnect</td>
<td>(2) each: (2) Cat. 6</td>
<td>(2) each: (4) Cat. 6</td>
<td>(2) 24&quot;x24&quot; J-Boxes</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>200 AMP Disconnect</td>
<td>(2) each: (2) Cat. 6</td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Box</td>
</tr>
<tr>
<td>T3S-R12</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td></td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3G, 4W</td>
<td>200 AMP Disconnect</td>
<td>2°C to TR 09</td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Box</td>
</tr>
</tbody>
</table>

**COMMENTS**

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200 AMP disconnect switch in space.
### T3 North Concourse: Concessions
#### Electrical & Special Systems Infrastructure

<table>
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<tbody>
<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3Ø, 4W</td>
<td>(2) 400 AMP Disconnect</td>
<td></td>
<td>(2) each: 2°C to nearest TR 1°C to NC RF</td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Boxes</td>
</tr>
<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
<td></td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Boxes</td>
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<tr>
<td>T3N-R14</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
<td></td>
<td>(4) Cat. 6</td>
<td>24&quot;x24&quot; J-Boxes</td>
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**Comments**

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200 AMP disconnect switch in space.
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<th>SMOKE PROVISIONS</th>
<th>Capped Connection Point</th>
<th>Shell Sprinkler System Layout</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>1 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>3'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women's / Men's Boutique</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
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<tr>
<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
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<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate &amp; Candy</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
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<td>SMOKE PROVISIONS</td>
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<td>Shell Sprinkler System Layout</td>
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<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
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<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
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<td>(2) 2 1/2&quot;</td>
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<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve / Specialty</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
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<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
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<td>2 1/2&quot;</td>
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<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
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<td>Tenant to Provide System for Lease Space</td>
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<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
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<td>T3S-R11</td>
<td>PASS</td>
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<td>PASS</td>
<td>News / Convenience / Coffee</td>
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<td>Tenant to Provide System for Lease Space</td>
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<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
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<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
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<td>Tenant to Provide System for Lease Space</td>
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<td>Shell Space Only</td>
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<tr>
<td>T3N-R14</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
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</tbody>
</table>
APPENDIX C

TERMINAL 3 RCS AVN 16-110

T3 LEASE OUTLINE DRAWINGS (LOD), (Appendix C) ARE LOCATED AT:
www.phoenix.gov/solicitations/493

ALL RESPONDENTS ARE RESPONSIBLE FOR REVIEWING APPENDIX C IN ITS ENTIRETY PRIOR TO SUBMITTING A RESPONSE TO THIS RCS. THE LOCATION OUTLINE DRAWINGS BECOME COMPONENTS OF THE LEASE.

IT IS RECOMMENDED RESPONDENTS DOWNLOAD APPENDIX C FOR THEIR RECORDS
EXHIBIT 4 – C
(Food & Beverage Lease)

Airport Pricing and Comparisons

To be added prior to Lease execution
no more than 10% higher than comparable street locations in the Phoenix area
EXHIBIT 5 – C
(Food & Beverage Lease)

Proposed Capital Investments

To be added prior to Lease execution
EXHIBIT 6 – C
(Food & Beverage Lease)

Letter of Credit Form

[BANK]
IRREVOCABLE STANDBY LETTER OF CREDIT NO. ________

To: City of Phoenix – Beneficiary
Aviation Department
Business & Properties Division
3400 East Sky Harbor Boulevard, Suite 3300
Phoenix, Arizona 85034
Attn: Deputy Aviation Director

Applicant: Company Name

Amount: $ xxx.xx

Expiration Date: mm/dd/yyyy

We hereby establish our irrevocable Standby Letter of Credit No. ________ in your favor available against sight drafts drawn on (name of bank) at the office of the undersigned located at (address of bank in Phoenix Metro Area, Arizona), accompanied by the following documents:

1. A certificate purportedly signed by the Aviation Director, or by any other director of the City of Phoenix Aviation Department, stating one or more of the following:

   A. The City of Phoenix is drawing against (name of bank) Standby Letter of Credit No. ________ as Company Name has failed to perform its obligations under or failed to comply with its Agreement No. _______, or any amendments thereto, or any replacement agreement, and the City of Phoenix requires payment under this Standby Letter of Credit of $ ____________.

   B. The City of Phoenix is drawing against (name of bank) Standby Letter of Credit No. ________ as Company Name has failed to provide a replacement Standby Letter of Credit prior to sixty (60) days before the expiration date as required by its Agreement No. or any amendments thereto, or any replacement agreement, and the City of Phoenix requires payment under this Standby Letter of Credit of $ ____________.

   C. The City of Phoenix is drawing against (name of bank) Standby Letter of Credit No. ________ as the City of Phoenix has received notice from (name of bank) that the
Standby Letter of Credit No. __________ will not be extended, and the City of Phoenix requires payment under this Standby Letter of Credit of $ ______________.

2. This original Standby Letter of Credit for endorsement.

All documents may be forwarded to us by mail, overnight courier, hand delivered to our counters, or via telefacsimile ("fax"). Documents to be directed to our counters at: [insert address as to counter location]. Drawing presented to us via fax must be sent to our fax number [insert – bank’s fax number] (each such drawing, a “Fax Drawing”) provided, however, that Beneficiary confirm our receipt of any Fax Drawing by telephone to our telephone No. [insert – bank’s telephone number(s)]. In the event of a Fax Drawing, Beneficiary is not required to send us the original documents.

If Beneficiary presents an improper drawing, we shall notify you in writing sent by overnight courier or by fax to (602) 273-4083 that the demand was not effected in accordance with the terms and conditions of this Standby Letter of Credit, stating the reasons therefore and that we are holding any demand at your disposal. Upon being notified that the purported demand was not effected in conformity with this Standby Letter of Credit, you may attempt to correct any such nonconforming demand for payment.

Partial drawing and multiple presentations are permitted under this Standby Letter of Credit.

This Standby Letter of Credit will automatically be renewed for a one (1) year period from the Expiration Date set forth above and upon each anniversary of such Expiration Date, unless at least sixty (60) days prior to such expiration, or prior to any anniversary of such expiration, we notify both Beneficiary and Applicant in writing by registered mail or overnight courier that we elect not to renew this Standby Letter of Credit.

We hereby agree that this Standby Letter of Credit shall be duly honored upon presentation and delivery of the certification specified above.

This Standby Letter of Credit is subject to the "International Standby Practices (ISP98)," International Chamber of Commerce Publication No. 590, and, as to matters not governed by ISP98, shall be governed by and construed in accordance with the laws of Arizona, without regard to principles of conflicts of law.

[Bank]

By: ________________________________
Authorized Signature
Compliance with Environmental Laws

Contractor shall, at Contractor’s own expense, comply with all present and subsequently enacted Environmental Laws, and any amendments thereto, affecting Contractor’s occupation and use of the Premises.

A. DEFINITIONS

1. “Environmental Laws” means those laws promulgated for the protection of human health or the environment, including but not limited to, the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA], 42 U.S.C. Sections 9601 et seq., as amended by the Superfund Amendment and Reauthorization Act [SARA]; the Solid Waste Disposal Act [SWDA], 42 U.S.C. Sections 6901 et seq., as amended by the Resource Conservation and Recovery Act [RCRA] including Subtitle I, Underground Storage Tanks; the Toxic Substances Control Act [TSCA], 15 U.S.C. Sections 2601 et seq.; the Public Health Service Act (Title XIV) [PHSA] a.k.a. the Safe Drinking Water Act [SDWA] and SDWA Amendments of 1996, 42 U.S.C. Sections 300f et seq.; the Federal Water Pollution Control Act [FWPCA], as amended by the Clean Water Act, 33 U.S.C. Sections 1251 et seq.; the Clean Air Act, 42 U.S.C. Sections 7401 et seq.; Title 49 of the Arizona Revised Statutes, including the Arizona Environmental Quality Act, A.R.S. Sections 49-101 et seq.; the Arizona Comprehensive Air Quality Act, A.R.S. Sections 49-401 et seq.; the Arizona Solid Waste Management Act, A.R.S. Section 49-701 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Sections 49-901 et seq.; the Arizona Underground Storage Tank Regulation Act, A.R.S. Sections 49-1001 et seq.; the Occupational Safety and Health Act of 1970 as amended, 29 U.S.C. Sections 651-678 and the regulations promulgated thereunder, and, any other laws, regulations and ordinances (whether enacted by local, state or federal government) now in effect or hereafter enacted, that provide for the regulation or protection of human health or the environment, including the ambient air, ground water, surface water, and land use, including substrata soils.

2. In this Contract, the term “regulated substances” means:

a. Those substances identified or listed as a hazardous substance, pollutant, hazardous material, and, petroleum, in CERCLA/SARA; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 5101 et seq.; RCRA, Subtitle I, Regulation of Underground Storage Tanks, 42 U.S.C. Sections 6991 through 6991i; Clean Air Act, 42 U.S.C. Section 7412 et seq.; and in any rule or regulation adopted to implement said statutes.

b. Those substances identified or listed as a hazardous substance, pollutant, toxic
pollutant, petroleum, or as a hazardous, special, or solid waste in the Arizona Environmental Quality Act, A.R.S. Sections 49-101 et seq., including but not limited to, the Water Quality Assurance Revolving Fund Act [WQARF], A.R.S. Sections 49-281 et seq.; the Arizona Comprehensive Air Quality Act, A.R.S. Sections 49-401 et seq.; the Arizona Solid Waste Management Act, A.R.S. Sections 49-701 et seq.; the Arizona Underground Storage Tank Regulation Act, A.R.S. Sections 49-1001 et seq.; A.R.S. Sections 49-851 through 49-868 pertaining to Management of Special Waste; the Arizona Hazardous Waste Management Act, A.R.S. Sections 49-921 et seq.; and in any rule or regulation adopted to implement said statutes.

c. All substances, materials and wastes that are, or that become, regulated, or that otherwise are classified as hazardous or toxic, under any Environmental Law during the term of this Contract.

3. The term “release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

4. As used herein, the term “Premises” means Contractor’s leasehold and/or any part or portion of Phoenix Sky Harbor International Airport (PSHIA), Phoenix Deer Valley Airport (DVT), Phoenix Goodyear Airport (GYR) or City owned property where Contractor or its employees or agents causes to occur a release of a regulated substance.

5. As used herein, the term “Contractor” means every consultant, lessee, sublessee, licensee, permittee, concessionaire, tenant or other person, firm or corporation occupying or using the Premises pursuant to an agreement and includes Contractor’s heirs, personal representatives, successors-in-interest and assigns.

B. COMPLIANCE

1. Contractor shall not cause or permit any regulated substance to be used, generated, manufactured, produced, stored, brought upon, or released on, or under the Premises, or transported to or from the Premises, by Contractor, its agents, employees, Contractor’s invitees or a third party in a manner that would constitute or result in a violation of any Environmental Law or that would give rise to liability under an Environmental Law.

Contractor may provide for the treatment of certain discharges regulated under the City of Phoenix pretreatment ordinances pursuant to Chapter 28 of the Phoenix City Code or such other ordinances as may be promulgated and the Federal Clean Water Act, 33 U.S.C. Section 1251 et seq.

Contractor shall indemnify, defend and hold harmless, on demand, City of Phoenix (“City”), its successors and assigns, its elected and appointed officials, employees, agents, boards,
commisions, representatives, and attorneys, for, from and against any and all liabilities, obligations, damages, charges and expenses, penalties, suits, fines, claims, legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons, the environment or Premises.

and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, human health or the environment pursuant to any Environmental Law, the common law, or other statute, ordinance, rule, regulation, judgment or order of any governmental agency or judicial entity, which are incurred or assessed as a result, whether in part or in whole, of Contractor's occupancy or use of the Premises during the term of this Contract or any previous contract or uses of the Premises by Contractor or its owners or affiliated entities, agents, employees, invitees, visitors or licensees. Regardless of the date of termination of this Contract, Contractor's obligations and liabilities under this Section shall continue so long as City bears any liability or responsibility under the Environmental Laws arising from Contractor's occupancy or use of the Premises during the term of this Contract. This indemnification of City by Contractor includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial actions, removal or restoration work required or conducted by any federal, state or local governmental agency or political subdivision because of regulated substances caused by Contractor to be present on or under the Premises or present in the soil or ground water on or under the Premises or present in surface waters on or adjacent to the Premises.

2. Without limiting the foregoing, if the release by Contractor of any regulated substance on or under the Premises, or to the air, groundwater or surface waters on or adjacent to the Premises results in any contamination of the Premises, air, groundwater or surface waters, Contractor shall promptly take all actions at its sole cost and expense that are necessary to mitigate any immediate threat to human health or the environment. Contractor shall then undertake any further action necessary to return the contaminated site to the condition existing prior to the introduction by Contractor of any regulated substance; provided that City's approval of such actions shall first be obtained. Contractor shall undertake such actions without regard to the potential legal liability of any other person; however, any remedial activities by Contractor shall not be construed to impair Contractor's rights, if any, to seek contribution or indemnity from another person.

3. Contractor shall, at Contractor's own cost and expense, make all tests, reports, studies and provide all information to any appropriate governmental agency as may be required pursuant to the Environmental Laws pertaining to Contractor's occupancy or use of the Premises. This obligation includes but is not limited to any requirements for a site characterization, site assessment and/or remediation plan that may be necessary due to any actual or potential spills or discharges of regulated substances on, under or from the Premises, or to the air, groundwater or surface waters on or adjacent to the Premises during the term of this Contract. At no cost or expense to City, Contractor shall promptly provide all information requested by City pertaining to the applicability of the Environmental Laws to the Premises,
to respond to any governmental investigation, or to respond to any claim of liability by third parties which is related to environmental contamination.

In addition, City shall have the right to inspect, within ten (10) days of Contractor’s receipt of written request, and copy any and all records, test results, studies and/or other documentation, other than trade secrets and legally privileged documents, regarding environmental conditions relating to the use, storage, or treatment of regulated substances by Contractor on, under or from the Premises or to the air, groundwater or surface waters on or adjacent to the Premises.

4. Contractor shall notify the Aviation Director within twenty-four (24) hours upon learning of the following:

   a. Any correspondence or communication from any governmental agency regarding the application of Environmental Laws to the Premises or Contractor’s occupancy or use of the Premises;

   b. Any change in Contractor’s activities on the Premises that will change or have the potential to change Contractor’s or City’s obligations or liabilities under Environmental Laws;

   c. Any assertion of a claim or other occurrence for which Contractor may incur an obligation under this Section.

5. Contractor shall at its own expense obtain and comply with any permits or approvals that are required or may become required as result of any occupancy or use of the Premises by Contractor, its agents, employees, invitees and assigns.

6. Contractor shall insert the provisions of this Exhibit in any agreement or contract by which it grants a right or privilege to any person, firm or corporation under this Contract.

7. Contractor shall obtain and maintain compliance with any applicable financial responsibility requirements of federal, state and/or local law regarding the ownership or operation of any underground storage tank(s) or any device used for the treatment or storage of a regulated substance and present evidence thereof to the City, as may be applicable.

8. Contractor shall take reasonable precautions to prevent other persons not acting under Contractor’s authority from conducting any activity that would result in the release of a regulated substance on, under or from the Premises or to the air, groundwater or surface waters on or adjacent to the Premises. Contractor shall also exercise due care with respect to any regulated substance that may come to be located on the Premises as a result of the actions of third parties who are not under Contractor’s authority.

9. Contractor shall make its best efforts to minimize its production of a waste stream that
includes regulated substances, and shall minimize the storage of regulated substances on, in and around the Premises.

C. TERMINATION OF AGREEMENT

Contractor’s failure or the failure of its agents, employees, contractors, invitees or of a third party to comply with any of the requirements and obligations of this Exhibit or applicable Environmental Law shall constitute a material breach of this Contract and shall permit the City to pursue the following remedies, in addition to all other rights and remedies provided by law or otherwise provided for in this Contract, to which the City may resort cumulatively, or in the alternative:

1. The City of Phoenix may, at the City’s election, keep this Contract in effect and enforce all of its rights and remedies under the Contract, including (1) the right to recover rent and other sums as they become due by appropriate legal action and/or (2) the right, upon ten (10) day's written notice to Contractor, to make payments required of Contractor or perform Contractor’s obligations and be reimbursed by Contractor for the cost thereof, unless such payment is made or obligation performed by Contractor within such ten (10) day period.

2. The City of Phoenix may, at the City’s election, terminate this Contract upon written notice to Contractor. Upon the City’s termination, Contractor shall immediately pay to the City an amount equal to all accrued but unpaid rents plus interest thereon calculated from the date the rent is past due at a rate equal to: (1) eighteen percent (18%) per annum or (2) the maximum interest rate permitted by state law, whichever is greater.

3. Notwithstanding any other provision in this Contract to the contrary, the City shall have the right of “self-help” or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Laws on, under or from the Premises or in surface waters on or adjacent to the Premises, without waiving any of its rights under this Contract.

4. The exercise by the City of any of its rights under Section C of this Exhibit shall not release Contractor from any obligation it would otherwise have under this Exhibit.

5. The covenants of this Exhibit shall survive the termination of this Contract.

D. AZPDES STORMWATER GENERAL PERMIT COMPLIANCE SUPPLEMENT

Contractor shall also comply with the attached AZPDES Stormwater General Permit Compliance Supplement to this Exhibit as if the Supplement is fully set forth herein.
SUPPLEMENT TO EXHIBIT 7 – C
(Food & Beverage Lease)

AZPDES Stormwater General Permit Compliance

With the exception of discharges on Indian Country, stormwater discharges in Arizona are regulated by the Arizona Department of Environmental Quality through the Arizona Pollutant Discharge Elimination System (AZPDES) program. An AZPDES permit is required for any point source discharge of pollutants to waters of the United States. Because stormwater runoff can transport pollutants to either a municipal separate storm sewer system (MS4) or to waters of the United States, AZPDES permits are required for stormwater discharges.

The City of Phoenix (the “City”) and its Contractors are required to obtain AZPDES permit coverage to the extent that stormwater is discharged from the Premises. Coverage under the AZPDES General Permit for Discharges from Construction Activities to Waters of the United States (AZG2008-001) (“AZPDES Construction General Permit”) is required for stormwater discharges generated by construction activities. Coverage under the AZPDES General Permit for Stormwater Discharges Associated with Industrial Activity from Non-Mining Facilities to Waters of the United States (AZMSG2010-002) (“AZPDES Multi-Sector General Permit”) is required for stormwater discharges generated by facilities and operations engaged in certain industrial activities. Among these industries are those engaged in “air transportation” and associated activities.

The City has obtained coverage under the AZPDES Multi-Sector General Permit for its “air transportation” facilities at Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and Phoenix Goodyear Airport (collectively hereinafter referred to as the “Airports”). The City has adopted a Stormwater Quality Protection ordinance, Phoenix City Code Ch. 32C, and has in place an “Aviation Department Stormwater Enforcement Procedures and Civil Penalty Policy” (“Aviation Stormwater Policy”), both of which were developed to comply with federal and local laws governing stormwater pollution.

Compliance Generally

The City adopted the Aviation Stormwater Policy to achieve compliance with the AZPDES program requirements by the Aviation Department, its contractors and permittees. Contractor is subject to the policy as a condition of its activities, operations, and location at the Airports. The City shall have the right to monitor and require compliance with the Aviation Stormwater Policy.

Contractor agrees to comply with the Aviation Stormwater Policy and to implement at its sole expense, unless otherwise agreed to in writing between City and Contractor, those requirements of the Airports’ Stormwater Pollution Prevention Plans (SWPPP) and City ordinances that pertain to its operations and activities on the Premises at the Airports. Contractor warrants that it will use its best efforts to meet all deadlines that are established by
statute, regulation, ordinance, and the Aviation Stormwater Policy, or that are agreed to by the parties. Contractor acknowledges that time is of the essence in the implementation of all City Permit requirements.

Full compliance with the AZPDES Permit Program as contained in 18 A.A.C. 9, Art. 9; Chapter 32(C) of the Phoenix City Code; and the Aviation Stormwater Policy is a material condition of this Contract, and for any breach thereof which exposes City to civil or criminal fine, penalty, sanction or remediation cost by any governmental entity, City may terminate this Contract. This remedy is in addition to any other remedies available to the City.

**AZPDES Construction General Permit**

If Contractor elects to perform construction activities at the Airports, Contractor is required, prior to commencing those construction activities, to obtain stormwater discharge authorization from ADEQ under an AZPDES Construction General Permit. Contractor will obtain that authorization by preparing a SWPPP and filing for AZPDES Construction General Permit coverage in coordination with the City’s project manager. The City will consult with and assist Contractor with regard to the filing for AZPDES Construction General Permit coverage as time and personnel allow. Contractor will also work with the City’s project manager to develop pollution controls (e.g., Best Management Practices, Control Measures, schedules and procedures) for the SWPPP. Contractor is solely responsible for implementation of the pollution controls, all related costs and compliance with its AZPDES Construction General Permit obligations.

**AZPDES Multi-Sector General Permit**

Contractor is required, prior to commencing its operations and activities at the Airports, to obtain stormwater discharge authorization from the ADEQ under an AZPDES Multi-Sector General Permit. Contractor will obtain that authorization as a “Co-Permittee” with the City. As a Co-Permittee, the Contractor agrees to:

a. Provide the City with a copy of Contractor’s written Authorization to Discharge to the extent Contractor has received such from the Arizona Department of Environmental Quality; and

b. Implement the Airports’ SWPPP, including Best Management Practices, Control Measures, schedules, and procedures, as applicable to the Contractor’s operations.

In connection with its coverage under the AZPDES Multi-Sector General Permit, the City has developed a SWPPP for the Airports to minimize the contact of storm and other precipitation event water with “significant materials” (as defined in the Regulations and City Ordinances) generated, stored, handled or otherwise used on Airport facilities. The City shall provide a copy of the SWPPP, including Best Management Practices, Control Measures, schedules, and procedures to Contractor, and Contractor shall implement that portion of the SWPPP applicable to its activities.
The City agrees that, to the extent allowed by law, Contractor shall have the right to be removed as a Co-Permittee from coverage under the AZPDES Multi-Sector General Permit should its Contract be canceled or terminated for other reasons, or due to Contractor’s relocation, noncompliance with the AZPDES Multi-Sector General Permit requirements or Contractor’s exercise of choice. In no event shall Contractor be relieved of its obligation to comply with the requirements of the AZPDES permit program with regard to its occupation and use of the Premises at the Airports, nor shall Contractor be excused from any obligations or indemnifications incurred and owed to City prior to Contractor’s removal as a Co-Permittee that result from a failure of Contractor to fulfill an obligation of a Co-Permittee.

Pollution Controls

City reserves the right to impose upon Contractor any Best Management Practices, Control Measures, schedules, and procedures, other action necessary to ensure City’s ability to comply with its AZPDES program requirements or applicable City ordinances; however, except in "extreme emergency" conditions, Contractor shall have ten (10) days from date of receipt of written notice imposing such pollution control measures or other requirements to notify City in writing if it objects to any action it is being directed to undertake. If Contractor does not provide the specified timely notice, it will be deemed to have assented to implementation of the pollution control measures or other requirements. If Contractor provides City with timely written notice of its objections, the parties agree to negotiate a prompt resolution of their differences. Contractor warrants that it will not serve a written notice of objections for purposes of delay or avoiding compliance.

As used herein, "extreme emergency conditions" means:

a. Conditions that impose an immediate impact on waters of the United States (e.g., Salt River) resulting from an emergency situation such as fire, spill, release or explosion, such that the facility responsible for the release must immediately begin appropriate response activities independently of City's direction or oversight;

b. An emergency such that a facility has to close because of a catastrophic event, where the facility can extend the ten (10) day notice period, but must implement pollution control measures before it reopens;

c. A collapse of the storm sewer system or other event which forecloses the Airports and/or City from performing its obligations under the City Permit due to lack of capacity.

Covenant of Good Faith

City and Contractor covenant to act in good faith to implement any AZPDES program requirements imposed on them pursuant to 18 A.A.C. 9, Art. 9. City and Contractor acknowledge that close cooperation will be necessary to ensure compliance with any AZPDES Multi-Sector General Permit requirements to promote safety and minimize costs,
and each party agrees to a candid exchange of information necessary to coordinate a stormwater management and monitoring plan.

Indemnification

The covenants of insurance and indemnification in favor of City imposed by other provisions of the Contract shall extend to, and are incorporated into, the provisions of this Supplement to Exhibit 7.

Revised April 4, 2012
968985
EXHIBIT 8 – C
(Food & Beverage Lease)

Supplemental Terms and Conditions to All Airport Agreements

A. Definitions

1. "Airport" means Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and/or Phoenix Goodyear Airport, in accordance with the context of the contract.

2. "Contract" includes any and all City of Phoenix Aviation Department contracts, subcontracts, agreements, leases, subleases, licenses, permits, concessions or other documents, however denominated that grant or convey a right or privilege on an Airport, and to which this Exhibit is annexed and made a part thereof.

3. "Contractor" means every lessee, sublessee, licensee, permittee, concessionaire or other person, firm or corporation exercising a right or privilege on an airport pursuant to a contract, and includes Contractor's heirs, personal representatives, successors-in-interest and assigns.

4. "Premises" means the leasehold or site occupied by Contractor pursuant to the lease, license or permit that is the subject of this Contract.

B. Assurances

1. Contractor shall furnish its services on a fair, equal and not unjustly discriminatory basis to all users of the Airport.

2. Contractor shall charge fair, reasonable and not unjustly discriminatory prices for each unit or services; provided that, Contractor may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers. Non-compliance with this requirement shall be a material breach of this Contract for which the City of Phoenix shall have the right to terminate this Contract and any estate created herewith, without liability therefor; or, at the election of the City of Phoenix or the United States, either or both of said Governments shall have the right to judicially enforce said requirement.

3. Contractor warrants that no person shall, on the grounds of race, creed, color, national origin, sex, age or disability, be excluded from participating in any activity conducted on or from the Premises, or otherwise be excluded from the benefits offered by Contractor to the general public. Contractor further warrants that it will comply with all pertinent statutes, Executive Orders, and rules promulgated thereunder, to assure that no person is excluded on the grounds of race, creed, color, national origin, sex, age, or disability, including, without limitation, Section
4. As a part of the consideration for this Contract, Contractor does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the

Premises for a purpose for which a DOT program or activity is extended for another purpose involving the provision of similar services or benefits, Contractor shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Code of Federal Regulations, Title 49, DOT, Subtitle A, Office of the Secretary of Transportation, Part 21-Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations exist and may be amended from time-to-time.

If this Contract is a lease, then this Covenant is hereby made a covenant running with the land for the term of the lease, and is judicially enforceable by the United States.

5. As a part of the consideration of the Contract, Contractor does hereby covenant and agree that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) in the construction of any improvements on, over or under such Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and that the contractor shall use the Premises in accordance with all other requirements imposed pursuant to 49 C.F.R. Part 21, as it may be amended.

If this Contract is a lease, then this Covenant is hereby made a covenant running with the land for the term of the lease, and is judicially enforceable by the United States.

6. The foregoing discrimination covenants are a material part of this Contract and for breach thereof the City of Phoenix shall have the right to terminate this Contract and to reenter and repossess the Premises and facilities thereon, and hold the same as if said Contract had never been made. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

7. Contractor agrees to insert the foregoing six provisions in any contract by which Contractor grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on or from the Premises.
8. Contractor agrees that it will undertake an affirmative action plan in conformance with 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, contracting or leasing activities covered in 14 CFR Part 152, Subpart E. Contractor assures that no person will be excluded on such grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Contractor further agrees that it will require its covered suborganizations to provide assurances to Contractor that they similarly will undertake affirmative action programs and that they will require like assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E.

9. City of Phoenix reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may reasonably see fit, free from any and all liability to Contractor for loss of business or damages of any nature whatsoever to Contractor occasioned during the making of such improvements, repairs, alterations and additions.

10. The City of Phoenix reserves the right, but is in no way obligated to Contractor, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Contractor in this regard.

11. Contractor acknowledges that this Contract is subordinate to any existing or future agreement between the City of Phoenix and the United States concerning the development, operation or maintenance of the Airport. In the event that FAA or its successors require modifications or changes in the Contract as a condition to the obtaining of funds for improvements at the Airport or as a requirement of any prior grants, Contractor hereby consents to any and all such modifications and changes as may be reasonably required and agrees that it will adopt any such modifications or changes as part of this Contract.

12. The Contract is subordinate to the reserved right of the City of Phoenix, its successors and assigns, to occupy and use for the benefit of the public the airspace above the Premises for the right of flight for the passage of aircraft. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft through said airspace or in landing at or taking off from, or operation on an Airport.

13. Contractor agrees to comply with the notification and review requirements as required by Title 14 of the Code of Federal Regulations, 14 CFR Part 77—Objects Affecting Navigable Airspace, in the event future construction of a structure is planned for the Premises, or in the event of a planned modification of a structure on the Premises. Contractor shall submit the required FAA Form 7460-1—Notice of Proposed Construction or Alteration—and provide documentation showing compliance with the federal requirements. Once the FAA has completed the aeronautical study, Contractor shall provide to the City of Phoenix the FAA
determination letter on proposed construction and any impact to air navigation. Contractor covenants for itself, its successors and assigns that it will not erect or permit the erection of any structure or permit the growth of any tree, on the Premises above the mean sea level elevation for: (1) Phoenix Sky Harbor International Airport, 1,133 feet; (2) Phoenix Goodyear Airport, 968 feet; (3) Phoenix Deer Valley Airport, 1,476 feet. As a remedy for the breach of said covenant the City of Phoenix reserves the right to enter upon the Premises and remove the offending structure or cut the offending tree, all at the expense of Contractor.

14. Contractor, by accepting this Contract, covenants for itself, its successors and assigns that no use will be made of the Premises that might in any manner interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard to air navigation. As a remedy for the breach of said covenant the City of Phoenix reserves the right to enter upon the Premises and cause the abatement of such interference, all at the expense of Contractor.

15. Contractor acknowledges that nothing contained in this Contract shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e).

16. This Contract and all the provisions hereof are subordinate to whatever rights the United States now has or in the future may acquire affecting the control, operation, regulation and taking-over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during a time of war or national emergency.

17. If the Contract involves construction, the contractor shall carry out the project in accordance with FAA airport design, construction and equipment standards and specifications current on the date of project approval.

18. Contractor is encouraged to use fuel and energy conservation practices.

C. City of Phoenix Equal Employment Opportunity Requirement

1. If Contractor is by this Contract a supplier to, or lessee of, the City, then the requirements of the Phoenix City Code, Chapter 18, Article V applies, including the agreement that:

   “Any supplier/lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee shall ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and shall adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal
skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract."

Supplier/lessee further agrees that this clause will be incorporated in all subcontracts, job-consultant agreements or subleases of this agreement entered into by supplier/lessee.

If the supplier/lessee employs more than thirty-five employees, the following language shall be included as the last paragraph to the clause above:

“The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.”

2. Documentation. Suppliers and lessees may be required to provide additional documentation to the Equal Opportunity Department affirming that a nondiscriminatory policy is being utilized.

3. Monitoring. The Equal Opportunity Department shall monitor the employment policies and practices of suppliers and lessees subject to this article as deemed necessary. The Equal Opportunity Department is authorized to conduct on-site compliance reviews of selected firms, which may include an audit of personnel and payroll records, if necessary.

D. Immigration Reform and Control Act of 1986 (IRCA)

Contractor understands and acknowledges the applicability of the IRCA to it. Contractor agrees to comply with the provisions of IRCA as it applies to its activities under this Contract and to permit the City of Phoenix to inspect its personnel records to verify such compliance.

E. Conflict of Interest
Contractor acknowledges that the terms and conditions of Arizona Revised Statutes (A.R.S.) § 38-511 are incorporated into this Contract.

F. **Legal Worker Requirements**

The City is prohibited by A.R.S. § 41-4401 from awarding an agreement to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees that:

1. Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A.

2. A breach of warranty under paragraph 1 shall be deemed a material breach of the Agreement and is subject to penalties up to and including termination of the Agreement.

3. The City retains the legal right to inspect the papers of the Contractor or subcontractor employee(s) who work(s) on this Agreement to ensure that Contractor or subcontractor is complying with the warranty under paragraph 1.

G. **Disadvantaged Business Enterprise Requirements**

1. To the extent that this Contract is covered by 49 CFR Part 26, Contractor agrees that this Contract is subject to the requirements of the U.S. Department of Transportation Regulations at 49 CFR Part 26. The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

   Contractor agrees to include the foregoing statement in any subsequent Contract that it enters and cause those businesses to similarly include said statement in further agreements.

2. To the extent that the Contract is a concession agreement covered by 49 CFR Part 23, the concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in 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.
The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.
Section 1 – Cleanliness Standards
Section 2 – Premises Standards
Section 3 – Storage Space / Delivery Standards
Section 4 – Information, Directions & Signs Standards
Section 5 – Employee Standards
Section 6 – Product Standards

Section 1 - Cleanliness Standards

1.1 All Premises shall be kept clean and well-maintained at all times.
1.2 All garbage shall be removed from counters and tables within five (5) minutes.
1.3 Carpeting shall be vacuumed or cleaned daily or immediately when soiled.
1.4 Entrance doors, glass windows and display cases shall be clean and free of smears, smudges, and dirt.
1.5 Sales and cashier areas shall be clean and organized.
1.6 Tray slides (if present) shall be clean.
1.7 Food trays shall be washed regularly (not just wiped down).
1.8 Light fixtures and their attachments shall be kept clean and free of dust.
1.9 Exhaust hoods, fans, and filters shall be appropriately maintained and cleaned in accordance with the lease.
1.10 Lessee’s aboveground grease interceptors shall be regularly maintained and inspected for leaks, if applicable.
1.11 Delivery palettes and milk crates shall be neatly stacked/organized (while on loading dock or outside the Premises) between deliveries.
1.12 All cardboard boxes shall be broken down and placed within the designated cardboard receptacles.
1.13 Hallways, elevators and areas around the Premises shall be free of Lessee-generated garbage.
1.14 Garbage receptacles shall be emptied regularly to avoid overflow of garbage.
1.15 Garbage shall be disposed of by placing accumulated garbage in Lessor-provided garbage compactor(s) and compacted.

1.16 Air conditioning, heating registers, and vents shall be clean.

Section 2 - Premises Standards

2.1 Floors within the Premises shall be free of garbage, stains, holes, potential trip hazards and shall be clean and well-maintained.

2.2 All tables, chairs, booths, display cases, and fixtures shall be in good condition with no broken pieces, deep scratches or graffiti.

2.3 All cooking equipment shall be in clean, good working order, well-maintained.

2.4 All walls, ceilings, glass surfaces and fixtures shall be free of dust, stains, and well maintained.

2.5 All lights shall be in working order with burned out bulbs replaced within 24 hours.

2.6 Shipping materials, packaging, and delivery carts shall be stored out of the passenger’s view when not in use.

2.7 Cleaning supplies and equipment shall be stored out of the public view.

2.8 Closet doors shall be kept closed.

2.9 Garbage receptacles shall be odor free, kept clean and in good condition, without dents, marks, or peeling paint.

2.10 Tallow Bin locations shall be provided by the Lessor.

2.11 Lessee shall be responsible for providing tallow bins and all associated equipment to collect, convey and deliver used cooking oil to the tallow bins. Lessee may design a system to pump used cooking oil from a concession unit to a reservoir or pumping port, for contractor pickup, in an airside location approved by Lessor.

2.12 Tallow bin lids shall be closed after every use.

2.13 The personal belongings of employees shall not be in the public view.

2.14 All entrances to F&B concession units shall be free from obstruction(s), including concession merchandise including any loading and unloading conveyance, sales/advertising stanchions, and Lessee-generated garbage.

2.15 Lessee-provided air conditioning and heating units shall be maintained as required.

2.16 If music is played in the F&B concession unit, volume levels shall be appropriately set.
Section 3 - Storage Space / Delivery Standards

3.1 Products and merchandise stocked in Lessee’s support space shall not block doors, electrical panels or hinder the fire suppression system.

3.2 Lessee shall not erect walls within the storage space to create office space, private storage or additionally secured areas without Aviation approval.

3.3 Lessee shall be responsible for communicating with Lessor’s Operations Division to make arrangements for escorting deliveries to F&B concession units located post-security, if necessary.

Section 4 - Information, Directions and Signs Standards

4.1 Store policies pertaining to credit cards, returns/refunds, shall be clearly displayed.

4.2 Clearly display a toll-free number for customer complaints or customer compliments.

4.3 Hours of operation shall be fully displayed.

4.4 Handwritten and unprofessional signs shall not be used.

4.5 All approved store informational/promotional signs, menus, menu boards and displays will accurately and clearly define menu items.

4.6 Illuminated signs shall be in proper working condition.

4.7 All signage/postings shall comply with Exhibit 3 of the Lease.

4.8 All necessary licenses, permits, notices and inspection certificates on the Premises will be clearly displayed.

Section 5 - Employee Standards

Employees shall:

5.1 Project a friendly and attentive demeanor, and have a positive attitude towards customers and fellow employees at all times.

5.2 Provide appropriate attention to customers ordering, asking questions, or needing assistance and not gather to chat while on duty.

5.3 Make every effort to satisfy a customer’s needs, even when those needs are outside the employee’s scope of work.

5.4 Maintain appropriate eye contact and a pleasant tone of voice while conversing with customers and fellow employees.

5.5 Provide each customer with correct change, a receipt, and a “thank you.”
5.6 Be well informed, capable of providing directions and knowledgeable about where and how to obtain requested information or service for customers.

5.7 Remain calm when encountering an upset customer, try to calm the customer, listen carefully and show empathy with the customer’s problem. When encountering a dissatisfied customer, employees should obtain the facts; state any applicable policy clearly and politely; and be able to offer a solution or an adequate alternative to the customer. If unable to satisfy the customer or resolve the issue, employees shall direct the customer to the immediate supervisor.

5.8 Be trained on how to obtain assistance to resolve customer questions, address language barriers, and respond to medical and operational emergencies.

5.9 Refrain from using foul or inappropriate language at all times.

Employees shall not:

5.10 Eat, drink or chew gum in the view of customers.

5.11 Sleep on duty or in a public area.

5.12 Use cell phones and personal music devices while on duty.

5.13 Wear sunglasses indoors while on duty, unless medically required and accompanied by a doctor's note.

Additionally, to support employee standards, Lessee shall ensure:

5.14 Employees have sufficient cash available immediately upon opening to make change for early morning sales.

5.15 All complaints be dealt with promptly and documented appropriately.

**Section 6 - Product Standards**

6.1 Food service preparation must comply with all applicable regulations, including those established by the Maricopa County Health Services Department (MCESD).

6.2 All food merchandisers and related equipment shall be in good working order maintaining the hot or cool temperature, as necessary, in accordance with MCESD.

6.3 Any activities that involve the final preparation of food from raw or partially prepared ingredients, shall be concealed from public view unless otherwise approved by the Landlord and MCESD. Food preparation that is entertaining to watch, or commonly accepted as part of a serving operation, may be performed in public view with the Landlord’s prior approval.

6.4 All odor-producing operations, products and equipment must be controlled by venting,
wrapping, enclosing, containing or other treating to prohibit the entry of objectionable odors into public spaces. Objectionable odors include odors of machinery, electrical devices, food preparation, perfumes and perfume products, cleansers, oils and garbage disposal systems.

6.5 All food used for display purposes shall be rotated daily.

6.6 All prepackaged food items shall be labeled with an “expiration date.” No items shall be offered for sale or remain on shelves after the expiration dates and times.

6.7 Lessee shall make every attempt to ensure all menu items are available.

6.8 Hot food shall be delivered hot and cold food shall be delivered cold.
Exhibit 10 – C
(Food & Beverage Lease)

Airport Concession Disadvantaged Business Enterprise (ACDBE) Program
Race- and Gender-Neutral Lease Clause

SECTION I  DEFINITIONS

The following definitions shall apply to this Exhibit, Airport Concession Disadvantaged Business Enterprise (ACDBE) Program Race- and Gender-Neutral Lease Clause:

Airport Concession Disadvantaged Business Enterprise (ACDBE) means a firm that has been granted ACDBE certification status by the City acting as a member of the Arizona Unified Certification Program pursuant to the criteria contained in 49 Code of Federal Regulations (CFR) Parts 23 and 26.

Arizona Unified Certification Program (AZUCP) is a consortium of government agencies organized to provide reciprocal ACDBE and DBE certification within Arizona pursuant to 49 CFR Part 26. The official ACDBE and DBE database containing eligible ACDBE and DBE firms certified by AZUCP can be accessed at: www.adot.dbesystem.com. The certification system is called the Arizona Unified Transportation Registration and Certification System (AZ UTRACS).

City means the City of Phoenix.

Commercially Useful Function means that an ACDBE or DBE is responsible for executing the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. If an ACDBE or DBE does not perform or exercise responsibility for at least 30% of the total cost of the contract with its own work force, or if the ACDBE or DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, the ACDBE or DBE is presumed not to be performing a Commercially Useful Function.

Compliance Specialist means a City employee responsible for compliance with this Lease Clause.

Concession means a business that primarily serves the public on an airport. This includes direct sales or services, management contracts, advertising contracts and goods and services providers.

Contract is a written agreement between any of the following parties: Respondent and JV partner, sublessee, subcontractor, or a Goods and Services Provider.

DBE stands for disadvantaged business enterprise. In this context, DBE means a Small Business Concern that has successfully completed the DBE certification process and has been granted DBE status by an AZUCP member pursuant to the criteria contained in 49 CFR Part 26.

EOD means the City of Phoenix Equal Opportunity Department.

Goods and Services Providers are firms that provide goods and services that represent a Commercially Useful Function directly to airport concessionaires as an ACDBE, DBE or small business.

Joint Venture (JV) means an association between two or more persons, partnerships, corporations, or any combination thereof, formed to carry on a single business activity. For purposes of this Lease Clause, one participant in the JV arrangement must be a certified ACDBE or DBE by an AZUCP member. The JV is
limited in scope and duration to this Lease. The resources, asset and labor of the participants must be combined in an effort to accrue profit.

**Lease** is a written agreement for a direct concession opportunity with the City.

**Outreach Efforts** means the diligent and good-faith efforts demonstrated by a Respondent to solicit participation from interested and qualified ACDBEs, DBEs and other Small Businesses. Respondent shall: identify and document potential business opportunities for ACDBEs, DBEs and other Small Businesses; describe what efforts were undertaken to solicit ACDBE, DBE and Small Business participation; disclose results of negotiations with ACDBEs, DBEs and Small Businesses; and communicate and record Respondent’s selection decisions relating to ACDBE, DBE and Small Business participants.

**Respondent** means an individual, partnership, JV, corporation or firm that submits a Response to the City to perform services requested by a RCS.

**Response** is a written proposal to the City prepared by a Respondent to perform services.

**Revenue Contract Solicitation (RCS)** is a solicitation or procurement issued by the City.

**Race- and Gender-Neutral (RGN) Measures** means effort(s) or program(s) that is, or can be, used to assist all Small Businesses, in the absence of a goal.

**Small Business** means, with respect to firms seeking to participate as ACDBEs or DBEs in contracts funded by the U.S. Department of Transportation (US DOT), a Small Business Concern as defined in section 3 of the Small Business Act and Small Business Administration regulations implementing the Act (13 CFR part 121), which Small Business Concern does not exceed the cap on average annual gross receipts specified in 49 CFR § 26.65(b) and self-identified small businesses. “Small Business” and “Small Business Concern” are used interchangeably in this Lease Clause.

**Subcontractor** means an individual, partnership, JV, corporation or firm that holds a contract at any tier below the Lease, including a vendor under a purchase order.

**Sublease** is an agreement between the Respondent and another entity or entities [sublessee(s)].

**Successful Respondent** means an individual, corporation, firm or JV that has been selected by the City to perform services requested by a RCS.

### SECTION II  GENERAL REQUIREMENTS

**A. Applicable Federal Regulations.** This Lease is subject to ACDBE requirements issued by USDOT in 49 CFR Parts 26 and 23. Despite the lack of a race- and gender-conscious ACDBE participation goal for this Lease, the Agency must track and report ACDBE and DBE participation that occurs as a result of any procurement, JV, goods/services, or other arrangement involving an ACDBE or DBE. For this reason, the Successful Respondent shall provide all relevant information to enable the required reporting.

**B. ACDBE Participation.** For this solicitation, the City has not established a race- or gender-conscious ACDBE participation goal. The City extends to each individual, firm, vendor, supplier, contractor, and subcontractor an equal economic opportunity to compete for business. The City uses race- and
gender-neutral measures to facilitate participation by ACDBEs, DBEs and Small Businesses. The City encourages each Respondent to voluntarily subcontract or joint venture with ACDBEs, DBEs and Small Businesses to perform part of the work—a Commercially Useful Function—that Respondent might otherwise perform with its own forces. The City also encourages each Respondent to voluntarily utilize ACDBE’s DBEs and Small Business Concerns as suppliers of Goods and Services. The City also encourages each Respondent to voluntarily utilize ACDBE’s, DBEs and Small Business Concerns as Suppliers of Goods and Services.

C. Counting ACDBE and DBE Participation. The City will count ACDBE and DBE participation as authorized by federal regulations. A summary of these regulations can be found at www.phoenix.gov/eod.

D. ACDBE and DBE Certification. Only firms (1) certified by the City or another AZUCP member, and (2) contracted to perform a Commercially Useful Function on scopes of work for which they are certified, may be considered to determine ACDBE and DBE participation resulting from RGN measures on this Lease. This ACDBE and DBE determination affects the City’s tracking and reporting obligations to USDOT.

E. Civil Rights Assurances. As a recipient of USDOT funding, the City has agreed to abide by the assurances found in 49 CFR Parts 21 and 26. Each Lease signed by the City and the Successful Respondent, and each Subcontract signed by the Successful Respondent and a Subcontractor, must include the following assurance verbatim:

“The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, sex, or creed in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Parts 21 and 23 in the award and administration of USDOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the City of Phoenix deems appropriate.”

Note: For purposes of the required Contract and Subcontract language above, the Successful Respondent is the “contractor.”

SECTION III REQUIRED OUTREACH EFFORTS

The City has implemented outreach requirements for this Lease. Specifically, each Respondent shall: (1) identify small-business-participation opportunities, including Commercially Useful Functions; (2) actively solicit proposals from small businesses; (3) evaluate small-business proposals; and (4) communicate selection decisions to small businesses, including each rejection of a small-business proposal. If a Respondent fails to conduct these Outreach Efforts or fails to submit the required documentation of Respondent’s Outreach Efforts as indicated in Section IV, Parts A, B and C below, the City may determine that the Respondent’s proposal is nonresponsive. A determination of nonresponsiveness disqualifies Respondent from further consideration for the Lease award.

SECTION IV SUBMITTAL REQUIREMENTS

Attachments C-A and C-B, along with supporting documentation for Attachment C-A are due with the Response.
A. Attachment C-A. Each Respondent shall complete and submit Attachment C-A documenting its diligent, good-faith Outreach Efforts.

1. Each Respondent shall list in Attachment C-A all ACDBEs, DBEs and Small Businesses contacted by Respondent in preparing its Response. Each Respondent shall also provide the following minimum information to document its Outreach Efforts. The Compliance Specialist will consider this information to determine whether Respondent has demonstrated the required Outreach Efforts:

   a. Each business’s full legal name and contact information;
   b. Business status (ACDBE, DBE, Small Business, SBE, or unknown);
   c. Scope of work solicited (brief description, percentage of contract value);
   d. Solicitation method (personal contact, telephone, fax, e-mail, other);
   e. Selection process; and
   f. Communication of selection outcome to each participant.*

*Respondent shall provide supporting documentation that shows Respondent has communicated its final selection decisions and outcomes to all ACDBEs, DBEs and Small Businesses not chosen to participate in this Lease.

2. Each Respondent shall complete Attachment C-A in accordance with the following instructions.

   a. Each Respondent shall actively contact ACDBEs, DBEs or Small Businesses for each scope of work or business opportunity selected for Outreach Efforts (Columns A and C).
   b. Respondent’s contacts with ACDBE’s, DBE’s and Small Businesses should occur well before the Response deadline to afford the firms contacted a reasonable opportunity to prepare a proposal and participate in the Lease.
   c. Respondent shall ask each firm to indicate the number of its employees (Column A).
   d. For each ACDBE’s, DBE’s or Small Business’s annual gross receipts, Respondent shall ask the firm to indicate the gross-receipts bracket into which it fits (e.g., less than $500,000; $500,000 – $1 million; $1 – 2 million; $2 – 5 million; etc.) rather than requesting an exact figure from the firm (Column A).
   e. If Respondent does not select an ACDBE, DBE or Small Business to participate in the Lease, Respondent shall explain the reason why (Column E).
   f. Respondent shall notify each ACDBE, DBE or Small Business contacted whether or not Respondent selected the firm. Respondent shall notify all firms not selected, and Respondent shall state when (date) and how (method) the selection outcome was communicated to each firm (Column F).

B. Attachment C-A Supporting Documentation. Each Respondent shall complete and submit supporting documentation of its Outreach Efforts related to Attachment C-A.

1. Respondent shall submit with Attachment C-A all supporting documentation of Respondent’s contacts with ACDBEs, DBEs or Small Businesses for each scope of work or business opportunity selected for Outreach Efforts.

2. This documentation must include: (1) descriptions of scopes of work and business opportunities identified for ACDBEs, DBE and Small Business participation, and (2) a copy of the actual solicitation sent to interested ACDBEs, DBEs and Small Businesses. The solicitation may be in
the form of a letter, attachment to an e-mail, advertisements in newspapers and trade papers, or written communications with chambers of commerce and/or other organizations.

3. Respondent shall submit documentation that establishes how Respondent communicated its selection decisions and outcomes to each ACDBE, DBE and Small Businesses not selected for this Lease. This documentation may be in the form of a letter, e-mail, fax, or a telephone log and must show the name of the person contacted and date.

4. For all of the above documentation, if Respondent uses a blast e-mail or fax format, the documentation submitted must include the a copy of the e-mail or fax, and Respondent must disclose all e-mail addresses and fax numbers to which the solicitation or outcome notification was sent and the date and time of the transmission. For telephone contacts, Respondent shall document the date and time of the call and the names of the respective persons representing Respondent and the ACDBE, DBE or Small Business.

C. Attachment C-B. Respondent shall sign and submit Attachment C-B, which commits Respondent to the City as follows:

1. The firms indicated as “selected” in Attachment C-A will participate in the Lease;
2. The Respondent will comply with the Race- and Gender-Neutral post-award requirements as stated in Sections V and VI below;
3. Any and all changes or substitutions will be authorized by the Compliance Specialist before implementation; and
4. The proposed total Small Business participation percentage is true and correct. Respondent shall ensure that the percentages proposed for Small Business participation on Attachment C-A equal the total percentage proposed in Attachment C-B.

D. Failure To Meet Outreach Requirements. The Compliance Specialist will determine, in writing, whether Respondent has satisfied all outreach requirements. If the Compliance Specialist determines that Respondent has failed to satisfy the outreach requirements (specified in Sections III and IV, Parts A, B, and C), then the Compliance Specialist may determine that the Response is nonresponsive. A determination of nonresponsiveness disqualifies Respondent from further consideration for the Lease award. The City shall send written notice to Respondent stating the basis for the Compliance Specialist’s decision.

E. ACDBE Administrative Reconsideration. If the Compliance Specialist determines that Respondent failed to submit required documentation to meet the stated outreach requirements in Section III, the City will permit Respondent to request EOD to reconsider this determination in accordance with the Protest provisions in this RCS. In its request for reconsideration, Respondent may clarify its Response. But Respondent may not submit or refer to new or revised documents or information. City will only reconsider the original Response as clarified in the request for reconsideration.

If Respondent requests EOD to reconsider the Compliance Specialist's determination of nonresponsiveness based on insufficient demonstration of Outreach Efforts, Respondent must provide written notice to the City within the time period for adverse determinations as provided in Section (V) (K).

The ACDBE Administrative Reconsideration period is concurrent with the protest period outlined in this solicitation.

SECTION V  POST-AWARD GENERAL REQUIREMENTS
A. **Subcontracting Commitment.** Promptly after Lease award, the Successful Respondent shall submit to City copies of all executed contracts, purchase orders, subleases, JV agreements, and other arrangements formalizing agreements between Successful Respondent and any ACDBE, DBE or Small Business.

The Successful Respondent shall not terminate any ACDBE, DBE or Small Business Subcontracts, and the Successful Respondent shall not alter the scope of work or reduce the Subcontract amount, without the Compliance Specialist's prior written approval. Any request to alter an ACDBE, DBE or Small Business Subcontract must be submitted in writing to the Compliance Specialist before any change is made. If the Successful Respondent fails to do so, the City may declare the Successful Respondent in breach of the Lease.

B. **Post-Award Relief From DBE Requirements.** After Lease award, the City will not grant relief from the proposed ACDBE, DBE or Small Business utilization except in extraordinary circumstances. The Successful Respondent's request to modify ACDBE, DBE or Small Business participation must be in writing to the Compliance Specialist, who has final discretion and authority to determine if the request should be granted.

The Successful Respondent's waiver request must contain the amount of relief being sought, evidence demonstrating why the relief is necessary, and any additional relevant information the Compliance Specialist should consider. The Successful Respondent shall include with the request all documentation of its attempts to subcontract with the ACDBE, DBE or Small Business and any other action taken to locate and solicit a replacement ACDBE, DBE or Small Business.

If an approved ACDBE or DBE allows its ACDBE or DBE status to expire or its ACDBE or DBE certification is removed during the course of the subcontract, the City will consider all work performed by the ACDBE or DBE under the original contract to count as ACDBE or DBE participation. No increased scopes of work negotiated after expiration or revocation of the ACDBE's or DBE's certification may be counted. Likewise, any work performed under a Lease extension granted by the City may not be counted as ACDBE or DBE participation.

C. **Substitutions.** If an ACDBE or DBE was approved by the City, but the firm subsequently loses its ACDBE or DBE status before execution of a contract, the Compliance Specialist will consider whether or not the Successful Respondent has exercised diligent and good-faith efforts to find another ACDBE or DBE as a replacement. The Successful Respondent shall notify the Compliance Specialist in writing of the necessity to substitute an ACDBE, DBE or Small Business and provide specific reason(s) for the substitution or replacement. Actual substitution or replacement of an ACDBE, DBE or Small Business may not occur before the Compliance Specialist's written approval has been obtained.

**SECTION VI. RECORDS & REPORTING REQUIREMENTS**

A. **Records.** During performance of the Lease, the Successful Respondent shall keep all records necessary to document ACDBE, DBE and Small Business participation. The Successful Respondent shall provide the records to the City within 72 hours of the City’s request and at final completion of the Lease. The City will prescribe the form, manner, and content of reports. The required records include:

1. A complete listing of all Subcontractors and suppliers on the project;
2. Each Subcontractor’s and supplier’s scope performed;
3. The dollar value of all subcontracting work, services, and procurement;
4. Copies of all executed Subcontracts, purchase orders, and invoices;
5. Total operating expenses and total costs of goods sales; and
6. Copies of all payment documentation.

B. **Reports.** The Successful Respondent shall be required to track and report all ACDBE, DBE and/or small business participation that occurs as a result of a contract, procurements, purchase orders, subleases, JV, goods/services or other arrangements involving sub-tier participation. Such documentation must be entered monthly into the internet based reporting program Business2Government (B2G) System at [www.phoenix.diversitycompliance.com](http://www.phoenix.diversitycompliance.com).

C. **Annual Submittals of Small Business Utilization Plan.** As a matter of compliance, the Successful Respondent must submit a **Small Business Utilization Plan** and the associated **Supporting Documentation**, on an annual basis by the anniversary date of contract award. The Successful Respondent is required to maintain a **Small Business Utilization Plan** and document its ongoing efforts to foster small business participation throughout the life of this Contract. The Successful Respondent is required to conduct a shortfall analysis and develop a corrective action plan in the event the Successful Respondent is unable to achieve its Small Business Utilization Commitment.

1. **Failure To Foster Small Business Participation**
   The Compliance Specialist will determine whether Successful Respondent has satisfied all outreach activities in the development of the **Small Business Utilization Plan**. If the Compliance Specialist determines that Successful Respondent has failed to satisfy the **Small Business Utilization Plan** requirements as specified in this clause, then the Compliance Specialist may determine that the Successful Respondent is not compliant as indicated per the clause. The City shall send a written notice to the Successful Respondent stating the basis for the DBE Compliance Specialist’s decision. The Successful Respondent has seven (7) business days to cure the deficiency. If Successful Respondent fails to submit the required forms and supporting documentation by the due dates, the City may deem the Successful Respondent noncompliant, in default of the Lease and not in good standing with the City of Phoenix.

D. **JVs.** In instances where ACDBE, DBE or small business participation occurs as the result of a JV arrangement with a Respondent, the Successful Respondent is required to complete JV documentation, and cooperate and participate in a review of the utilization of the JV participants at least once a year. The review will determine the percentage of participation that will be counted for ACDBE, DBE and small businesses and the participation of ACDBE and DBE’s to be reported to the Federal Aviation Administration each year of the Lease.
EXHIBIT 11 – C
(Food & Beverage Lease)

OPERATIONS PLAN

To be added prior to Lease execution
ATTACHMENT D

CITY OF PHOENIX

TERMINAL 3 RETAIL CONCESSIONS LEASE

between

THE CITY OF PHOENIX,
an Arizona municipal corporation

and

______________________________

___________________________

dba __________________________
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# CITY OF PHOENIX
## Aviation Department
### Food and Beverage and Retail Concessions at PHX Terminal 3 RCS AVN 16-110

## Attachment D-iii

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EXHIBIT 11-D  OPERATIONS PLAN
PHOENIX SKY HARBOR INTERNATIONAL AIRPORT
TERMINAL 3
RETAIL CONCESSION LEASE

This RETAIL CONCESSION LEASE ("Lease") is made and entered into this _____ day of _______, 2017 ("Effective Date"), by and between the CITY OF PHOENIX, a municipal corporation of the State of Arizona (hereinafter referred to as the "Lessor" or "City"), and _______________________________ (hereinafter referred to as "Lessee"), whose principal place of business is located at __________________________.

RECITALS

8. Lessor is the owner and operator of Phoenix Sky Harbor International Airport ("Airport") in Phoenix, Arizona, including Terminal 3 ("T3").
9. Lessor desires to grant to Lessee the non-exclusive rights specified in this Lease and to establish the terms and conditions for the operation of Lessee's retail ("Retail") concessions in T3.
10. Lessor desires to have existing Retail facilities renovated, upgraded and remodeled to offer the traveling public current Retail concepts.
11. Lessor has solicited responses from Retail concessionaires for T3 and Lessor has negotiated with Lessee to operate first class Retail concessions for the convenience and necessity of the customers, passengers and public using T3.
12. At any time during the term of this lease, Lessor reserves the right to add or change Retail concessions in T3.
13. Lessee is responsible for all contractual obligations of its Retail operations in T3, including those Retail operations operated by its Airport Concessions Disadvantaged Business Enterprise (ACDBE), Disadvantaged Business Enterprise (DBE), small business, sublease, and joint ventures Partners (collectively referred to in this Lease as "Partners").
14. On _____, 2017, Phoenix City Council approved Ordinance S-______ authorizing this lease.

NOW, THEREFORE, in consideration of the foregoing recitals, which the parties acknowledge are a part of this Lease, and of the following terms and conditions which are agreed by and between the parties as follows:
SECTION 1

TERM

SECTION 1.1 – Initial Term

The Initial Term of this Lease shall commence on the Effective Date listed above and shall extend until Lessee begins all Retail operations included under this Lease for T3 or January 31, 2020, whichever comes earlier.

SECTION 1.2 – Primary Term

The Primary Term of this Lease shall commence when Lessee begins all Retail operations included under this Lease for T3, or February 1, 2020, whichever occurs earlier. The Primary Term will expire on December 31, 2030, unless this Lease is terminated earlier as hereinafter provided. If Lessee begins all operations on a day other than the first day of the month, all monetary obligations under the Lease will be prorated for the remainder of the month.

SECTION 2

PREMISES AND PRIVILEGES

SECTION 2.1 - Premises

2.1.4 Lessor hereby leases to Lessee those Premises and facilities in T3 shown on the drawings attached to this Lease and denoted as “Premises” in Exhibit 1-D (“Premises”), which occupy approximately _____ square feet (sq. ft.) for concessions space. Lessor grants Lessee the right of ingress and egress to and from the Premises on public access roadways, sidewalks and areas of the Airport. If available, Lessee may lease additional support space at the Airport at the current rates authorized by Phoenix City Code, subject to annual adjustment.

2.1.5 Lessee leases the Premises after a full and complete examination of the Premises and the title, and has full knowledge of the present uses and non-uses. Lessee accepts the foregoing in the condition or state in which they now are “as-is” without any representation or warranty, express or implied in fact or by law, by Lessor and without recourse to Lessor as to the title, nature, condition or usability or use to which the Premises may be put. Lessor shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Premises other than those expressly provided in this Lease. Lessee assumes the full and sole responsibility for the condition, operation, repair and maintenance of the Premises.

SECTION 2.2 - Rights and Privileges

2.2.13 Lessor hereby grants to Lessee a nonexclusive right to engage in business at the Premises as a Retail concessions operator, a commercial activity defined and regulated by this Lease and the Phoenix City Code, to operate the concession concepts identified in
Exhibit 2-D ("Concepts"). Lessee shall use the Premises for no other purpose. Lessor may grant rights to others to conduct the same or similar operations in T3.

2.2.14 It is the objective of Lessor and Lessee that each T3 concession unit maintains a distinctive quality. Therefore, each Retail concession unit must be operated in compliance with Exhibit 2-D. Any modifications to Exhibit 2-D must be approved in writing, in advance, by Lessor.

2.2.15 Unless expressly provided by this Lease, Lessee shall not operate electronic games or vending machines containing any food or retail items on the Premises.

2.2.16 The Lessor reserves the right to require modification to Lessee’s merchandise plan.

2.2.17 Lessee may use up to, but not more than, three percent (3%) of the floor space of the Premises for storage, office, or other purposes not directly related to the display and sale of goods to customers unless otherwise approved by Lessor.

2.2.18 Exclusive of any support space allotted to the Premises under Section 2.2.5 or leased by Lessee as part of the Premises, Lessee agrees one hundred percent (100%) of the Premises shall be devoted to Lessee’s operation of the Retail concession concepts listed in Exhibit 2-D. Lessee’s failure to comply with Exhibit 2-D will be grounds for termination of this Lease. Such compliance by Lessee shall be at the sole determination of Lessor.

2.2.19 Lessor reserves the right, in its sole discretion, to install one (1) or more public address system speakers on or within the Premises for announcing flight arrivals and departures and other Airport information. Lessee shall not install any public address or paging system on the Premises.

2.2.20 The rights and privileges described in this Section may be modified by Lessor to implement the purpose and intent of this Lease.

2.2.21 Lessee shall have the right and obligation to construct Leasehold Improvements to the Premises for use in its Retail concession units in accordance with Section 7.

2.2.22 As a condition of its right to occupy the Premises, Lessee shall ensure the operation of any wireless access point does not cause interference with existing communication users, including, without limitation, aviation-related operations and equipment at the Airport, the operation of any existing wireless users operating at the Airport, and the Airport’s own radio systems. If the operation of Lessee’s wireless access point causes any interference to any existing users, Lessee shall take all steps necessary to remove the cause of the interference. Lessee shall cooperate with the Lessor and any necessary third parties to identify and eliminate the cause of the interference. If Lessor determines, in its sole discretion, that Lessee’s wireless access point or signals being transmitted by means of the wireless access point, are the cause of any interference, Lessor may direct Lessee to immediately cease operation of all or any portion of Lessee’s wireless access point, or otherwise take action to eliminate the interference at sole cost to Lessee.

2.2.23 Lessee shall submit for Lessor’s approval any and all television programming packages (including content of all channels) to be used within the Premises, prior to Lessee’s implementation of such programming. The volume of all television programming must be set at a level that does not disturb other Airport operations or passengers. It is expressly agreed, however, that any programming related to any accident or incident involving a commercial passenger airline may only be included in the programming without graphic video coverage of the accident site, unless the incident involves a national emergency or threat to security. In accordance with 49 CFR 27.71 (i), Lessee must also ensure that the captioning function is enabled on all televisions for any programming, live or pre-recorded, shown within the
Premises. The Airport conducts periodic monitoring for the captioning function and will notify the Lessee in writing about noncompliance. A Lessee that receives three Airport notifications within one calendar year could be subject to further Airport action, including fine or citation.

2.2.24 Lessee may participate in the Airport’s Employee Parking Program, in accordance with all rules and regulations promulgated by the Aviation Department, and Phoenix City Code. Lessee shall be responsible for any parking fees for anyone enrolled under Lessee’s account.

2.2.25 Lessor reserves the right to develop, construct, and operate a Consolidated Receiving and Distribution Center (CRDC) during the term of the lease. Lessee, along with Lessee’s subtenants, joint venture partners and authorized vendors will be required to utilize this facility. Tenant costs associated with the CRDC will be assessed, if developed.

2.2.26 Lessor reserves the right to solicit and contract for airport wide exclusive beverage rights to include brands of bottled, canned and prepackaged beverage at airport food & beverage and retail and any other concessions facilities. This right to solicit will not be applicable until mid-term of the Primary Term.

SECTION 3
RENT

SECTION 3.1 - Gross Sales

The term “Gross Sales,” as used herein, shall be construed to mean the aggregate amount of all sales made and services rendered at or from the Premises, and any other revenues of any type arising out of or in connection with Lessee’s operation under this Lease on the Premises, regardless of when or where the order therefore is received, where performed by Lessee or its Partners, from the Premises for cash or credit or otherwise, of every kind, name, and nature, regardless of when or whether collected or not, as if the same had been sold for cash, or the fair and reasonable value thereof, whichever is greater. Only the following shall be excluded or deducted from the computation of Gross Sales:

3.1.13 Any and all transaction privilege taxes (sales taxes), excise taxes or related taxes upon or passed through to customers and collected by Lessee on such sales.

3.1.14 Receipts from the sale or trade-in value of any furniture, fixtures or equipment used upon the Premises and owned by Lessee.

3.1.15 The value of any merchandise, supplies or equipment exchanged or transferred from or to Lessee’s other business locations where such exchanges or transfers are not made for the purpose of avoiding a sale that otherwise would be made at or from the Premises.

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

3.1.17 Receipts with respect to any sale where the subject of such sale, or some part thereof, is thereafter returned by a customer to and accepted by Lessee, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit.

3.1.18 The amounts of cash or quantity discounts received from sellers, suppliers and manufacturers.

3.1.19 Expenses charged to customers that are paid by Lessee for the shipment of
approved retail goods sold as a convenience to customers.

3.1.20 The amounts of any gratuities paid or given by customers to Lessee’s employees.

3.1.21 Receipts from the sale, at cost, of uniforms or clothing to Lessee’s employees where such uniforms or clothing are required to be worn by such employees.

3.1.22 Receipts from the sale of garbage or scrap materials resulting from Lessee’s operations at the Premises.

3.1.23 Meal, tip and other wage credits to Lessee’s employees for purposes of compliance with minimum wage laws.

3.1.24 Gift cards sold at the Premises. When a gift card is redeemed or accepted as payment for a purchase at the Premises, the transaction must be reported as part of Gross Sales.

SECTION 3.2 - Credits and Discounts

Lessee may allow customary discounts on sales to its own employees. Lessee shall not be credited with nor allowed to have any reduction in the amount of Gross Sales that results from any arrangements for a rebate, discount or hidden credit given or allowed to any customer, City, or other Airport employees.

SECTION 3.3 - Annual Rent

3.3.10 Immediately upon Lessee’s receipt of monies from the operation of the Retail concessions herein authorized, the portion of monies belonging to Lessor under the terms of this Lease shall immediately be vested in and become the property of Lessor, and Lessee shall be responsible for the monies until the same are delivered to Lessor.

3.3.11 For purposes of this Lease, “Lease Year” means the twelve-month period beginning on January 1st and ending December 31st. “Prorated Lease Year” means the period from when Lessee begins operation or December 31st, whichever occurs first, until the beginning of the first Lease Year, and the period from the last Lease Year until termination.

3.3.12 Lessee, for and in consideration of the use of the Premises, facilities, rights and privileges granted hereunder, hereby covenants and agrees to pay Lessor without notice, and free from any and all claims, deductions or set-offs against Lessor, as rent:

c. For the Initial Term, Lessee shall pay only a Percentage Rent of annual Gross Sales as follows: _______ percent (___%) for ________________________; _______ percent (___%) for ________________________; and _______ percent (___%) for ________________________.

d. For the Primary Term and through each Lease Year of the Primary Term hereof, Lessee shall pay the greater of Minimum Annual Guaranteed (MAG) rent as described below; or Percentage Rent as described above.

3.3.13 MAG for the first full Lease Year will be MAG in the amount of ______________ dollars ($____________). MAG shall be prorated for the Prorated Lease
Year. MAG for the second Lease Year and all years thereafter will be established at eighty-five percent (85%) of the annual rent owed by Lessee during the immediate preceding year or one hundred percent (100%) of MAG for the first Lease Year, whichever is greater.

3.3.14 MAG shall be paid in installments in advance on the first day of each month. On each such date Lessee shall pay one-twelfth (1/12) of MAG, plus all applicable taxes.

3.3.15 In the event the required MAG payment specified in Section 3.3.5 is in excess in any one (1) period of an amount that would be due were the Percentage Rent calculation applied, the MAG payment set forth above is nevertheless to be submitted to Lessor.

3.3.16 Although each new MAG will be effective on January 1, the calculation of MAG may not be finalized until later, at which time Lessor will send Lessee written notice of the new MAG amount. Lessee shall then pay Lessor the difference or receive a refund for any current Lease Year MAG payments made prior to the calculation.

3.3.17 If Lessee fails to complete construction on its Leasehold Improvements within its Lessor-approved construction timetable, Lessee shall nevertheless be responsible for MAG per Section 3.3.3.

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

SECTION 3.4 - Percentage Rent Payments and Reports

3.4.4 In computing Percentage Rent to be paid by Lessee, the first reporting period shall commence on the date Lessee opens for business and shall end at the close of business on the last day of the same calendar month. Thereafter, the reporting period shall be on a calendar month basis.

3.4.5 Lessee shall, within twenty (20) days after the close of each month, furnish Lessor a detailed statement of Gross Sales and any deductions from Gross Sales, from each individual Retail concession unit for the preceding month prepared in accordance with Generally Accepted Accounting Principles (GAAP) and certified by a responsible financial officer of Lessee. These Gross Sales reports must show such data and breakdown for Lessee and Lessee’s Partners, including ACDBEs and small businesses, including an itemized list identifying all Gross Sales by Percentage Rent category purchases of Goods & Services and any other type of reporting as may be required by Lessor, and shall be accompanied by Lessee’s payment of additional rent that may be due hereunder based on the application of Percentage Rent, plus all applicable taxes. Lessor may require changes to the format of these reports at any time.

3.4.6 By March 31st of each Lease Year, Lessee is required to submit to Lessor an annual accounting statement of Gross Sales and Percentage Rent for each Retail concession unit, including all Partners, ACDBEs and small businesses in accordance with GAAP. This statement must be prepared and audited by an independent Certified Public Accountant (CPA), in accordance with Generally Accepted Auditing Standards (GAAS). This requirement applies to prorated Lease Years at the start and end of the Lease.

The purpose of the audit is to determine if the Gross Sales and Percentage Rent reported accurately reflect the rents due and paid to Lessor for the Lease Year for each Retail concession unit.
SECTION 3.5 – Rent Remittance

Rent payments shall be made payable in check form to the Aviation Department’s lockbox at Aviation Department, City of Phoenix, P.O. Box 29110, Phoenix, Arizona 85038-9110. In the event technological advances make point of sale Gross Sales reporting and payment transfers more economically feasible, Lessor reserves the right to revise how payment remittances are made. Any and all equipment and transmission changes necessary to accomplish the change in the reporting and/or remittance process will be the responsibility of Lessee.

SECTION 3.6 – Miscellaneous Charges

Lessee agrees it is responsible for all miscellaneous charges for services rendered by the Lessor to support the Premises and Retail concession operations. These charges may include, but are not limited to: security badging for employees, City inspections for Lessee’s construction projects, parking, and work orders.

SECTION 3.7 – Delinquent Rent and Charges

Without waiving any other right or action available to Lessor in the event of default in payment of rents or charges hereunder, late rent or charges are subject to delinquent fees as defined in Section 4-7 of the Phoenix City Code, currently eighteen percent (18%) per annum and as may be amended, beginning on the date the rent or charges were due.

SECTION 3.8 – Late Statements or Reports

If Lessee is delinquent for ten (10) or more days in furnishing Lessor any monthly statements or reports required under this Lease, Lessee shall pay one hundred dollars ($100) per late statement or report to Lessor as liquidated damages for the additional administrative costs incurred by Lessor in processing and reviewing delinquent statements or reports. The parties agree this is a fair and reasonable estimate of Lessor’s costs incurred in processing a delinquent monthly statement or report.

SECTION 3.9 – Books and Records

3.9.6 For the seven (7) most recent years of the term hereof, and until all claims by Lessor for payments hereunder shall have been fully ascertained, fixed and paid, or until three (3) years after expiration or earlier termination of this Lease, whichever is later, Lessee shall keep, in accordance with GAAP and GAAS, separate and accurate records of Gross Sales showing in detail all business done or transacted in, on, about, from, or pertaining to the Premises. Lessee shall enter all receipts arising from such business in regular books of accounts kept on the Premises for that purpose, and all entries in any such records or books shall be made at or about the time the transactions respectively occur. It is the intent and
purpose of the foregoing provisions that Lessee shall keep all such records available for inspection by Lessor as will enable Lessor to ascertain and determine, accurately and clearly, the amount of money payable to Lessor hereunder, and the exact share of Gross Sales billed and/or received by Lessee under this Lease.

These records shall include, but are not limited to: chart of accounts, general ledger, daily business reports, and original or copies of rent agreements for all Airport-related transactions. Lessor prefers the records be kept in Phoenix. If Lessee elects not to maintain its records in Phoenix, then upon Lessor’s request or in the event of an audit, it shall either: 1) pay for all expenses associated with delivering the records to the address of the auditors; or 2) pay for reasonable travel expenses for the auditors to have the audit conducted at Lessee’s specified location, including an administrative fee of fifteen (15%) percent of the actual costs of the audit.

3.9.7 Lessor may audit Lessee’s books and records at any time to verify compliance with this Lease. Within ten (10) days of Lessor’s request, during normal business hours, Lessee will make available for inspection and review to Lessor’s employees, agents, and contractors all of its records, which shall be maintained in accordance with GAAP and GAAS, showing in detail all business conducted pursuant to this Lease.

The records requirements of this Section shall extend to any of Lessee’s subsidiaries, Partners, and sublessees.

Lessor may use its own staff to perform audits under this Section, or may engage an independent CPA to perform the audits. If an audit reveals that Lessee has understated its Gross Sales by two percent (2%) or more, the entire expense of the audit shall be borne by Lessee. Lessee shall immediately pay any additional amounts due to Lessor in compliance with Section 3.7.

3.9.8 Lessee shall install and use, or cause to be installed and used at each Retail concession unit, cash registers, sales slips, invoicing machines and other automatic accounting equipment required to properly and accurately record the gross revenues on all sales, by type and location, services, and other business transactions. The devices shall be equipped with a transaction log with auditing capabilities that track and store each transaction that is accumulated through the point of sale register(s). The transaction history shall be consecutive, and cannot be interrupted or restarted without the proper audit logs to support the interruption in numerical sequence. Lessee shall provide evidence of such internal controls documenting complete recording of all receipts for all operating hours. All transactions recorded on the devices shall be visibly displayed so that the amount recorded can be viewed by customers from a reasonable distance.

3.9.9 Lessee shall maintain an internal control structure designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, that transactions are executed in accordance with management’s authority, and that the financial records are reliable for the purposes of preparing financial statements. The internal control structure shall be supported by the selection, training, and development of qualified personnel, by an appropriate segregation of duties, and by the dissemination of written policies and procedures.

3.9.10 It is agreed that examination of the books, ledgers, journals and accounts of Lessee will be conducted in accordance with GAAP and GAAS applicable in the circumstance, and that as such, the examinations do not require a detailed audit of all transactions. Testing and sampling methods may be used in verifying reports submitted by Lessee. Deficiencies ascertained by applying percentages of error, obtained from such
testing and sampling, may be applied by Lessor to the entire period of reporting under examination and will be binding upon Lessee, and to that end shall be admissible in any court of law to prove any amounts due Lessor.

SECTION 3.10 – Independent Audits

If, as a result of an audit, Lessor determines that additional monies are due to Lessor, Lessee shall be notified of Lessor’s findings and invoiced for the total amounts due. Within thirty (30) days of the notice and invoice from Lessor, Lessee shall do one of the following: (1) notify Lessor in writing that Lessee agrees with Lessor’s audit findings and pay all monies due to Lessor; or (2) dispute the audit findings, in writing. Failure of Lessee to dispute the audit findings, in writing, within thirty (30) days of receiving the notice and invoice, shall constitute acceptance of the findings and waiver of the right to appeal the findings. If Lessee elects to dispute the audit findings, it shall, within ninety (90) days after providing notice to Lessor of the dispute, furnish to Lessor, at Lessee’s expense, an audit made by an independent CPA mutually agreeable to both parties. If Lessee elects to request an independent audit under this Section, and if that audit results in a finding that there is a deficiency of two percent (2%) or more of the amount payable to Lessor, then Lessee agrees to pay Lessor for the cost of Lessor’s audit and for all deficiencies and delinquent fees. Interest shall accrue from the date the delinquent payment was due under the Lease in accordance with Section 3.7.

SECTION 3.11 – Final Audit Binding

The final audit of the independent CPA shall be conclusive upon the parties, and Lessee shall pay to Lessor, within thirty (30) days after a copy of the CPA's final report has been delivered to Lessee, the amount, if any, shown thereby to be due and owing Lessor. The failure of Lessee to make payment to Lessor within this thirty (30) day period shall constitute a material breach of this Lease and shall give cause to Lessor for immediate termination thereof.

SECTION 3.12 – Support Space

Based on availability Lessee may lease support space in Terminal 3. Lessee shall pay rent equal to the rate set forth in the Phoenix City Code Section 4-173 for terminal rental rates, as may be amended throughout the term of this Lease. Effective July 1, 2016, terminal rent is $109.80 per sq. ft. per year (July 1, 2016 - June 30, 2017). All rent and fees assessed in accordance with Section 4-173 are due and payable monthly in advance on the first day of each month. On each such date, Lessee shall pay one-twelfth (1/12) of the annual rent plus applicable tax as may be adjusted by the taxing authority throughout the term of this Lease. The current tax rate is 2.9% for sales tax. Rent and fees are delinquent if not received by Aviation by the tenth day of the month. Rent and fees shall be deemed delinquent and assessed a delinquent account fee in accordance with Section 4-7 of the Phoenix City Code.
SECTION 4
LESSEE OPERATING STANDARDS

SECTION 4.1 - Service Standards

4.1.13 Lessor is dedicated to providing exceptional customer service and requires Lessee to operate the Retail concession units in an efficient, customer friendly, well-run manner to meet the needs of passengers and other customers. Lessee shall maintain the standards in this Section and in Exhibit 9-D (“Retail Operating and Service Standards Manual”), and maintain equal or higher standards included in the proposed Operation Plan as attached as Exhibit 11-D (“Operations Plan”).

4.1.14 Lessee shall conduct its Retail operations in a proper business-like manner so as not to disturb or be offensive to other tenants, customers, or passengers in T3. Lessee shall not solicit business anywhere at the Airport, except within the Premises.

4.1.15 Lessor may monitor, test, or inspect the services of Lessee at any time through the use of a shopping service or other commercially reasonable means that do not unduly interfere with Lessee’s Retail operations. Lessee shall provide and have readily available customer comment cards.

4.1.16 If any of Lessee’s Partners fail to maintain Retail operations in compliance with this Lease, Lessee shall operate the Retail unit or Retail units to maintain compliance.

4.1.17 Lessee shall be responsible for escorting all unbadged Partners, contractors and any invitees to post-security locations, twenty-four (24) hours a day, seven (7) days a week.

4.1.18 Lessee shall utilize attractive merchandising that entices potential customers to purchase goods. Lessee shall develop and implement creative and effective merchandising displays within the Premises; those displays may include without limitation window displays, display cases, promotional displays (for which Lessor approval must be obtained), and attractive packaging. All signage and merchandising displays must conform to the Tenant Design Criteria attached as Exhibit 3-D (“Tenant Design Criteria”) and must be approved in advance by Lessor under the Tenant Improvement Process.

4.1.19 Processing of payments from customers shall be prompt. Receipts shall be properly itemized, reflect precisely the actual sale of goods and date of sale, and list individual prices, taxes and totals. All customers shall be thanked for their patronage.

4.1.20 Lessee shall accept traveler’s checks and at least three (3) major credit cards for any purchase. Lessee understands and agrees the operation of T3 Retail concession units necessitates the rendering of public services such as making reasonable change and giving directions.

4.1.21 Lessee is responsible for ensuring all debit and credit card transactions are conducted in accordance with all applicable laws and in compliance with payment card industry standards.

4.1.22 Tip buckets, jars or containers are prohibited at all Retail concession units unless approved in writing, in advance, by Lessor.

4.1.23 “Tipping” language is prohibited on printed sales and credit card receipts.
4.1.24 Lessee shall offer the same promotions and discounts, sell, and accept gift cards, as offered in street location(s). Customers should not experience operational differences between the T3 Retail concession unit and its street location(s).

4.1.25 Lessee may offer gift wrapping and mailing services to its customers provided that Lessee may charge only enough for those services to cover Lessee’s actual cost to provide the services. The prices to be charged by Lessee shall be reviewed and approved in writing by Lessor before Lessee begins providing the services. Lessee shall not deviate from the approved prices without the prior written consent from Lessor.

4.1.26 Except as otherwise expressly agreed by Lessor, Lessee shall operate the designated retail store seven (7) days a week which shall include Lessee’s obligation to open for business at least ninety (90) minutes prior to the first scheduled flight departure daily from Terminal 3 and thirty (30) minutes after the last scheduled flights arrival daily at Terminal 3. Exact Hours of Operation will be established and reestablished from time to time by Lessor based upon airline schedules and demands of the traveling public, including satellite locations. Such Hours of Operation shall be communicated to Lessee. Failure to adhere to the established hours of operation will result in inconvenience to the public and will adversely affect the operation of the Airport. Quantification of the resulting damages is difficult. The parties agree that the liquidated damages set forth herein are reasonable estimates of the actual damages that would be incurred by the public and Lessor for the specified breaches of the foregoing operating standards. Therefore, for each violation of this Section, Lessee shall pay $100.00 to Lessor as liquidated damages.

SECTION 4.2 - Employee Standards

4.2.4 Lessee shall recruit, train, supervise, direct, and deploy the optimum number of employees to match the service requirements of this Lease. Each employee shall: (1) be clean, neat, free from offensive body odor, professional, courteous, friendly, and not wear excessive amounts of jewelry, perfume, or cologne; (2) wear Lessor-approved uniforms and clearly display an Airport security identification badge showing the names of the employee and employer at all times while at the Airport. If an employee is found within a Security Identification Display Area (SIDA) without an Airport security identification badge clearly displayed, Lessee shall discipline, and, if necessary, discharge, the employee.

4.2.5 Lessee shall provide services in English to meet the expectations of the traveling public, whom are predominantly domestic passengers at this Airport. Offering services in other languages is encouraged but not required. Lessor reserves the right to require Lessee to increase staffing levels if the customer service requirements set forth in this Lease are not being met in Lessor’s judgment. Lessee should anticipate peak travel seasons such as Spring Break, Thanksgiving, Christmas, and other holidays, and add additional staff accordingly.

4.2.6 Lessee and its Partners shall hire from the pool of current T3 Retail employees who are employed by the current T3 Retail concessionaire and retain those Retail concession employees for one-hundred and twenty (120) days. Lessee and its Partners may only interview employee candidates outside this pool of Retail concession employees when there are no longer any employees of the current T3 Retail concessionaire available to hire in the same job classification.
SECTION 4.3 - Management

4.3.3 The operation and maintenance of concession units operated by Lessee shall be under the constant direct supervision of trained, qualified, and experienced managers employed by Lessee. Managers shall be authorized to accept any notice required or allowed by this Lease, and shall have authority to make all decisions reasonably necessary in the day-to-day operation of the concession units. Managers shall be available on-site during business hours, provided that a subordinate may be designated as an acting manager during brief absences of the manager.

4.3.4 Lessee must identify the General Manager (“GM”) to be assigned to the oversight of Retail operations of the Premises including those Retail concession units operated by Lessee’s Partners. The GM is the primary individual responsible to fulfill Lessee’s obligations under the Lease and is the primary point of contact for interaction with Lessor. The GM should be available twenty-four (24) hours a day, seven (7) days a week for Lessor to communicate any challenges and/or emergencies. If the GM is not available, Lessee shall provide a name and telephone number of a manager who is available twenty-four (24) hours a day, seven (7) days a week and able to make decisions on Lessee’s behalf. The GM assigned under this Lease must be fully qualified. Lessee shall submit and maintain an updated organizational chart on file with Lessor at all times. At any time hereafter Lessee desires to change the GM while performing under the Lease, Lessee shall submit the qualifications of the new GM in writing to Lessor for prior approval. Lessor reserves the right to reject the requested change.

SECTION 4.4 - Sanitation, Hygiene, and Cleanliness

4.4.1 Lessee shall keep the Premises, along with any service pathways used by Lessee, clean, well-maintained and free of garbage, unpleasant odors, and hazardous conditions and notify Lessor promptly of hazardous conditions in the public areas outside the Premises.

4.4.2 Lessee shall provide a complete and sanitary handling of all garbage and recyclables generated as a result of concession operations on the Premises, and shall provide for its timely removal to the central collection point provided by Lessor. At no time shall Lessee accumulate garbage or recyclables outside the Premises or within passenger view.

4.4.3 Lessee shall keep all garbage and recyclable materials in durable, insect- and rodent-proof, fireproof containers that are easily cleaned. The containers shall have tight-fitting lids, doors, or covers, and shall be kept covered when material is not being deposited in them and shall be cleaned as necessary to prevent odors. Boxes, cartons, barrels, or other conveyance items shall be disposed of promptly by Lessee and not be within passenger view.

4.4.4 Lessee shall make arrangements to provide containers, for each individual concession, to separate concession-generated recyclable materials from non-recyclable materials. All Retail concession-generated recyclable materials acceptable to Lessor’s recycling program must be brought to the recycle collection areas. All garbage and recycle containers (full or empty) shall be kept within the Premises, out of passenger view, and in compliance with Section 4.4.3.
4.4.5 Lessee shall retain within each Retail concession unit, and available upon Lessor’s request, all equipment servicing schedules, maintenance logs and invoices documenting any and all routine inspections, services and cleanings of any equipment including, but not limited to: fire suppression equipment inspections and pest control services.

4.4.6 Lessee shall take appropriate action to exterminate and prevent the presence of rodents and other vermin within the Premises and within all Lessee on-Airport support space areas.

4.4.7 Lessee shall provide for Lessor’s approval a schedule for the routine inspections, services, and cleanings required to meet 4.4.6 above. The schedule shall be updated with Lessor when changes are made. Lessor reserves the right to add items as necessary to ensure Lessee is conducting regular and routine cleanings, inspections and maintenance for each retail concession unit.

SECTION 4.5 - Deliveries

4.5.1 All designated vendor delivery vehicles must be inspected prior to entry into secured areas of the Airport.

4.5.2 Authorized vendor delivery zones are located on the service level of the T3 building. Delivery zones may be changed from time to time due to Lessor’s construction activities or operational requirements. Use of the delivery zone by Lessee or Lessee’s suppliers is limited to thirty (30) minutes at any one time. Deliveries taking longer than thirty (30) minutes must be approved in advance by Lessor.

4.5.3 All deliveries to Retail concession units shall be scheduled during non-peak passenger periods. Lessor may issue schedules for acceptable delivery times, which may be adjusted from time to time, and from which Lessee shall not deviate without Lessor’s prior consent.

4.5.4 Lessee shall ensure items transported within the Airport are handled with care and packaged in covered containers that do not leak. The conveyance of items via delivery cart, dolly, Lessor-approved palette jack, or any other Lessor-approved means within the Airport, shall not exceed the height of the person delivering the items as a safety precaution. In transporting items associated with Lessee’s operations to and from Retail concession units, Lessee shall use only those delivery routes established by Lessor and shall use only carts, vehicles, or conveyances (“Delivery Carts”) that are sealed and leak-proof. Items may only be transported on Delivery Carts equipped with rubber, air-filled, polyurethane non-marking wheels. Black wheels or other marking wheels are strictly prohibited. Delivered items must immediately be placed into the Retail concession units and not left within hallways or other Airport areas causing obstructions to Partners, passengers, Lessor’s staff, or other lessees.

4.5.5 Deliveries are the responsibility of Lessee. Lessor shall take no responsibility or sign for any deliveries.

4.5.6 Commercial Delivery Vehicles on the Airfield: Lessor reserves the right to regulate and approve the size of all large commercial delivery vehicles to be used on the Airfield by Lessee and all of Lessee’s authorized vendors.
SECTION 4.6 - Signs

Lessor will permit Lessee to install and operate signs in and about the interior and exterior of the Premises to advertise the retail shop, but Lessee shall not install any sign until the sign has been approved in writing by Lessor. Lessee shall request the Lessor’s approval by submitting a written request identifying the number, general type, size and location and must be accompanied by a detailed rendering or drawing of the proposed sign. Freestanding floor signs outside of the lease line are not permitted. All signs must conform to the minimum requirements established by the signage standards in the Tenant Design Criteria that are incorporated by reference as Exhibit 3-D and must be approved through the Lessor’s Tenant Improvement Process.

SECTION 5
AIRPORT PRICING POLICY

SECTION 5.1 – Airport Pricing Policy

The Aviation Department (Aviation) has adopted an Airport Pricing Policy for concessions at PHX. This Policy requires prices at PHX to be no more than ten percent (10%) higher than the comparable street locations in the Phoenix area. Lessee shall adhere to Lessor’s Airport Pricing Policy (“Policy”) as set forth in Exhibit 4-D (“Airport Pricing and Comparisons”). This Policy may be revised at any time at Lessor’s sole discretion. Any changes to the Policy as it pertains to Lessee must be reflected on merchandise within ten (10) days’ receipt of notice from Lessor.

SECTION 5.2 - Compliance

To determine Lessee’s compliance with the Policy, at least twice a year Lessor will notify Lessee 30 days in advance to provide documentation of compliance with the Airport Pricing Policy. Lessee will identify ten (10) to fifteen (15) items, per Retail concession unit, based on the highest sales volume and another ten (10) to fifteen (15) items, per Retail concession unit, based on the highest number of units sold for price comparison purposes (all subject to Lessor’s approval). Lessee shall research and document the prices charged for these items in the street locations listed in Exhibit 4-D. In addition, no more than an additional two times per year, Lessor may require Lessee to perform a random sample price comparison, whereby Lessor identifies ten (10) to fifteen (15) items randomly, per Retail concession unit.

Lessor reserves the right to conduct its own price comparison at any time.

SECTION 5.3 - Price Inventory

The prices Lessee has agreed to charge are stated in Exhibit 4-D. Lessee may not increase individual prices by more than the Phoenix-Mesa Consumer Price Index (CPI) in any one Contract Year without prior written consent from the Aviation Director. Requests for price changes must be accompanied by the following information: (1) a list of the items to be
changed; (2) the current prices of those items; (3) the proposed price change per item; (4) the percentage change in price per item; (5) a statement of the reasons for the change; and, (6) a list of the comparable prices from three stores in the Phoenix Metropolitan area. Lessee shall submit a quarterly inventory price list to account for regular inventory and price adjustments. In no event shall the price charged by Lessee exceed the price marked on the item being sold.

SECTION 6
AIRPORT PRICING POLICY ENFORCEMENT

SECTION 6.1 – Liquidated Damages

Lessor will notify Lessee in writing about any violations of the Policy found during a price comparison. If Lessee fails to cure these violations within ten (10) days of such notice, Lessee agrees its failure to cure and adhere to the foregoing Policy will result in inconvenience to the public and adversely affect the operation of the Airport. Although quantification of the resulting damages is difficult, the parties agree the liquidated damages set forth herein are reasonable estimates of the actual damages that would be incurred by the public and Lessor for the specified breaches of the Policy. Lessee agrees to pay to Lessor liquidated damages in accordance with this Section at the rate of one thousand dollars ($1,000) for the first failure to cure any violations of the Policy and five thousand dollars ($5,000) for the second failure to cure any violations.

SECTION 6.2 - Termination

In the event Lessee fails to cure any violations of the Policy for a third time during the term of this Lease, then this Lease may be terminated by Lessor. Lessor shall provide written notice of the termination without further right of Lessee to cure and Lessee shall peacefully surrender possession of the Premises immediately.

SECTION 6.3 - Materiality

Any breach or violation of this Section shall be considered a material breach of this Lease. The determination by the Aviation Director that a breach or violation has occurred will be conclusive as to the facts.

SECTION 7
IMPROVEMENTS TO BE MADE BY LESSEE

SECTION 7.1 - Furnish and Equip Premises

7.1.1 Lessee shall provide and maintain at its own expense first-class Retail concession units. This includes all improvements, alterations, and fixtures necessary for the customary operation of such a business, including, but not limited to: sales counters, display cabinets, interior partitions, special lighting, fixtures, wall coverings and finishes, and all other
equipment, furniture, furnishings, and supplies necessary to conduct first-class Retail concession units. All improvements affixed in any manner to the Premises are “Leasehold Improvements.” All non-affixed items, including cash registers, safes, racks and other furnishings and equipment are “Trade Fixtures.” All Leasehold Improvements must comply with Exhibit 3-D.

7.1.2 Lessee shall submit a phasing plan listing the start and end dates of construction for each Retail concession Premises. Construction shall be completed within 180 days. If Leasehold Improvements of the lobby and south concourse concessions units are not complete by November 1, 2018, fifty percent (50%) of MAG will commence on that date. North concourse concessions unit MAG will commence per Section 3.3.3.

7.1.3 Lessee shall not request, nor will Lessor execute, a Landlord’s Waiver, Landlord’s Consent, or similar document that would subordinate Lessor’s interest in the Lease to any security interest or consent to Lessee’s pledge of Leasehold Improvements or Trade Fixtures to obtain financing.

7.1.4 Lessee shall spend a total of ________________________________ dollars ($__________), as proposed for the Retail concession Premises for initial capital investment expenditures and included as Exhibit 5 (“Proposed Capital Investment”). In the event Lessee does not spend the proposed initial capital investment per sq. ft. per Retail concession Premises, Lessee shall remit the unspent balance to Lessor within four (4) months of commencement of the Primary Term. Lessor reserves the right to conduct an audit of Lessee’s initial capital investment expenditures.

7.1.5 Lessee shall maintain all Retail concession Premises in “opening day” condition throughout the term.

Lessee shall spend a minimum average of one hundred dollars ($100) per sq. ft. per Retail concession space as a midterm capital investment to upgrade the Leasehold Improvements. This midterm capital investment is not intended for general maintenance and should be used to refurbish areas of the Premises visible to customers. Lessee shall submit for Lessor’s review a refurbishment and phasing plan (“Refurbishment Plan”) no later than February 28, 2025, for midterm capital investment expenditures to be completed by August 31, 2026. The Refurbishment Plan must specify the types of capital investments to be made, in each concession or at the Aviation Director’s discretion, including any reconcepting of units. Should Lessee not spend one hundred dollars ($100) per sq. ft. per concession block of space, Lessee shall remit the unspent balance to Lessor by November 30, 2026. Lessor reserves the right to conduct an audit of Lessee’s midterm capital investment expenditures.

7.1.6 Within one hundred twenty (120) days from beneficial occupancy, Lessee shall provide Lessor a certified cost statement of total initial capital investment costs for each Premise and a certified cost statement listing the total initial capital investment costs of all Premises. The certified cost statements must be itemized and segregated into the categories of Leasehold Improvements and Trade Fixtures. Lessee agrees to pay Lessor one hundred dollars ($100) per day each certified cost statement is late.

7.1.7 Lessee shall provide Lessee with all demising walls, concrete subfloors, and electrical, HVAC, fire alarm and sprinklers, water, and sewer (in sufficient capacity to support the concepts in Exhibit 2-D) stubbed to the leasehold line at each Premises. Lessee shall be responsible for all interior utility installations and distribution of those utilities. If City determines in the future that utility separation is necessary, Lessee will work cooperatively with the City.

7.1.8 The Premises will be available to Lessee as soon as reasonably practicable
after the Effective Date of this Lease. Lessee agrees Lessor shall not be legally, financially, nor equitably responsible for any delays in delivering the Premises to Lessee. Lessee acknowledges Lessor shall not be responsible for demolition of existing space, demising walls, or flooring within the Premises. Lessor shall be responsible for all costs associated with abating any asbestos existing on the Premises.

A phasing plan schedule that will be provided to Lessee is an estimated schedule only and no representations, direct or implied, are made by Lessor relating to the time periods stated therein and Lessee waives any rights to rely on same for purposes of any claim against Lessor.

7.1.9 Lessee shall not use any asbestos-containing material. If Lessee or its Partners use any asbestos-laden material within the Premises, Lessee shall be responsible for removing all asbestos-laden material at its cost and in compliance with all applicable environmental laws.

SECTION 7.2 - Plans and Specifications for Leasehold Improvements

7.2.1 In accordance with Exhibit 3-D, Lessee shall submit schematic design drawings and construction documents for Lessor’s approval.

7.2.2 Lessor will provide written notice to Lessee once the Premises have been certified by Lessor’s engineer as available for improvement by Lessee. Upon approval of the construction documents by all appropriate City departments, Lessee shall receive a written Notice To Proceed (NTP) providing approval from Lessor’s TI Coordinator to initiate construction within the Premises.

7.2.3 All Leasehold Improvements shall be at Lessee's sole cost and expense and shall not damage T3 of which the Premises are a part.

7.2.4 Lessor’s approval shall not constitute a representation or warranty as to conformity with the requirements of local, state, and federal laws. Lessee shall at all times remain responsible for compliance with all applicable laws. Lessor reserves the right to approve architectural and aesthetic matters for each Retail concession block of space. Lessor may reject any design submitted, and require Lessee to resubmit designs and layout proposals until they meet Lessor’s approval.

7.2.5 In the event Lessor rejects any portion of the Schematic Design drawings or Construction Documents, Lessee shall promptly submit necessary modifications and revisions. No substantial changes or alterations shall be made in any executed plans or specifications after Lessor’s initial approval, and no Leasehold Improvements or changes to Leasehold Improvements shall be made to or upon the Premises without Lessor’s prior written approval.

7.2.6 One hundred twenty (120) days after completion of any Leasehold Improvement, Lessee shall provide to Lessor two (2) sets of detailed plans and specifications of the work as completed. One (1) copy shall be produced in a computer automated drafting (CAD) format and the second copy shall be as-built plans sealed by an Arizona registrant in an electronic format to be determined by Lessor at the time of submittal. Upon Lessor’s request, Lessee will inspect the Premises jointly with Lessor to verify the as-built drawings.

7.2.7 Lessee shall, in the design and construction of Leasehold Improvements and operation of the Premises, comply with all applicable provisions of the Americans with Disabilities Act, 42 U.S.C. §12101 et al., the ADA Accessibility Guidelines (ADAAG), and
implementing regulations as imposed upon the owner and/or operator of public facilities.

7.2.8 Any subsequent changes, alterations or additions to constructed Leasehold Improvements or the Premises shall be subject to the prior written approval of the Aviation Director. Before commencing any such improvements, additions or alterations, Lessee shall submit plans and specifications; construction costs and engineering and architectural fees; and a construction schedule for all work, facilities and improvements to the Aviation Director. All construction shall conform to the architectural requirements of the Exhibit 3 and in accordance with the Tenant Improvement Handbook which may be amended from time to time.

SECTION 7.3 - Title to Leasehold Improvements

7.3.1 All contracts for the construction of the Leasehold Improvements must include provisions of insurance and suretyship reasonably satisfactory to Lessor for protection of Lessor, laborers, suppliers, subcontractors, and the general public.

7.3.2 All Leasehold Improvements approved by Lessor become and remain the property of Lessee until the expiration or termination of this Lease. Upon expiration or termination of this Lease for any reason, all Leasehold Improvements become the property of Lessor, with Trade Fixtures, signs and other personal property remaining the property of Lessee so long as: (1) the removal of such Trade Fixtures, signs, or personal property, at Lessee’s sole expense, does not result in material damage to the Premises that cannot be repaired by Lessee to Lessor’s satisfaction; (2) Lessee is not in default at the time of the expiration or termination of the Lease; and (3) the Trade Fixtures, signs, or personal property are removed from the Premises no later than ten (10) days after the expiration or termination of the Lease.

7.3.3 Notwithstanding the foregoing, if the Primary Term is less than five (5) years, upon the expiration or termination hereof, Lessor shall reimburse Lessee for the then-unamortized value of its Leasehold Improvements. For purposes of this provision, the amortization period for all of the foregoing assets installed on the commencement of the Primary Term shall be five (5) years commencing with the start of the Primary Term. Any additional assets installed on the Premises must be brought to the attention of Lessor and will be amortized over five (5) years commencing on the date of installation.

7.3.4 Lessee shall remove its Trade Fixtures, signs, and personal property in a manner and at times that do not interrupt Airport operations. Lessee shall repair all damage done to the Premises or other Lessor-owned property resulting from the removal of such Trade Fixtures, signs, and personal property and shall restore the Premises and other Lessor-owned property to the state of good repair that existed prior to the installation of Lessee’s Trade Fixtures, signs, and personal property, less normal wear and tear. Should Lessee fail to repair the damage to Lessor’s satisfaction, Lessor shall have the right to make such repairs and be reimbursed by Lessee within ten (10) days following demand by Lessor for payment at Lessor’s standard rates plus Lessor’s administrative costs, or, if the work is performed by Lessor’s contractor, Lessor’s actual cost, including but not limited to Lessor’s administrative costs. If Lessee fails to become current on all payments owed to Lessor within thirty (30) calendar days, title to the Trade Fixtures shall vest in Lessor. If Lessee is in default at the time of expiration or termination of this Lease, Lessor may hold title to the Trade Fixtures until Lessee is current on all payments owed to Lessor. If Lessee fails to remove its Trade Fixtures,
signs, and other personal property within ten (10) calendar days, or a longer period of time agreed to in writing by Lessor, after the expiration or termination of this Lease, Lessor, at its option, may determine that title to these items shall vest in Lessor at no cost to Lessor, or Lessor may elect to exercise its rights under Section 15.

7.3.5 In the event of dispute as to the affixed or non-affixed nature of any Leasehold Improvements or Trade Fixtures, Lessor’s determination shall be final.

7.3.6 Lessee shall maintain all Leasehold Improvements and Trade Fixtures at its own expense.

SECTION 7.4 - Removal and Demolition

Lessee shall not remove or demolish, in whole or in part, any Leasehold Improvement on the Premises without Lessor’s prior written approval. Lessor may, at its sole discretion, condition such approval upon the obligation of Lessee to replace the Leasehold Improvement by an improvement specified by Lessor.

SECTION 8

CLOSURE, RELOCATION, REDUCTION, EXPANSION, OR CONDEMNATION

SECTION 8.1 - Lessor’s Authority

If at any time during the term of this Lease Lessor determines it is necessary for the efficient operation of the Airport, Lessor may require Lessee to close or reduce its operations. If Lessor requires Lessee to close any or all of its operation, Lessee shall vacate the Premises within ninety (90) days of receipt of closure notice, unless exigent circumstances require an earlier closure or reduction of the Premises. If Lessor requires a reduction of Lessee’s Premises, Lessee may elect to close the specific Retail concession unit and the closure shall be treated in the same manner as if Lessor had required closure. If Lessee makes a request to relocate a specific Retail concession unit promptly after receiving notice of a closure or reduction, Lessor will attempt to negotiate a mutually acceptable relocation within T3; but Lessee acknowledges relocation is unlikely.

SECTION 8.2 - Compensation

If a closure occurs under this Section, Lessor’s liability shall be limited to reimbursement of Lessee for the net book value of all Leasehold Improvements and Trade Fixtures that Lessee cannot reasonably remove and use in a relocated or reduced Retail concession unit. For the purposes of this Lease, net book value shall mean the current value of the Leasehold Improvements after depreciation in accordance with Section 7.3.3.

SECTION 8.3 - Condemnation

This Lease shall terminate upon the filing of an action to condemn the Premises and Lessor shall be entitled to all compensation awarded in any condemnation action, except for the amount indicated in Section 8.2.
SECTION 9
JANITORIAL SERVICES

Lessee shall provide janitorial services within the Premises and along pathways to and from support space and garbage disposal areas, as needed, to maintain safety and cleanliness standards described in this Lease. Lessee shall ensure routine floor cleaning of back-of-house service ways and common areas will occur as needed and that no Retail concession-generated garbage is tracked onto T3 flooring. Lessee’s responsibility includes the immediate cleaning of any flooring soiled by its Retail operations.

Lessee-provided janitorial services must be provided equal to or greater than the standards of cleanliness and appearance required by Lessor for T3 public areas. To maintain high standards throughout T3, Lessor shall have the right to perform such services for Lessee in the event of Lessee’s failure to do so and to charge Lessee for the labor and materials used at such rates as Lessor may establish; provided, however, that Lessor, before commencing janitorial services within the Premises, shall give Lessee written notice of its default and a five (5) day period in which to correct any default.

SECTION 10
MAINTENANCE OF PREMISES

SECTION 10.1 – Maintenance

10.1.1 Obligations of Lessor: Lessor shall, at its expense, maintain T3 in good condition, including the ventilating and air conditioning equipment, electrical, fire suppression, water and sewer systems, and gas, where applicable, up to the leasehold of each Retail concession unit.

10.1.2 Obligations of Lessee: Lessee shall, at all times and at its sole expense, maintain in good repair and keep in a clean and orderly condition the appearance of the Premises, all Leasehold Improvements and Trade Fixtures therein, whether installed by Lessee or Lessor. All maintenance shall be equal to or better than the materials, workmanship and appearance representative of similar areas in T3 directly controlled by Lessor. Lessee shall conduct regular and routine cleaning, inspections and maintenance within the Premises, any support space and the pathways in between, and shall provide documentation of the cleaning, inspections and maintenance when requested by the Lessor. To maintain high standards of maintenance throughout T3, Lessor shall have the right to accomplish any required work in the event of Lessee’s failure to do so and to charge Lessee for the labor and materials used at such rates as Lessor may establish provided, however, that Lessor, before commencing any required work within the Premises, shall give Lessee written notice of its default and a five (5) day period in which to correct any default.

SECTION 10.2 - Repairs

10.2.1 All repairs to the Premises done by or on behalf of Lessee shall be of first-class quality materials and workmanship, equal to or better than the Lessee’s original materials and
workmanship, and, except in emergencies requiring immediate response, approved in advance by Lessor in writing. Lessee shall be responsible for the cost to repair any damage to T3 or the Premises caused by the negligence or misconduct of Lessee or its Partners, contractors or invitees. Lessor shall be the sole judge of the quality of the repairs.

10.2.2 Lessee shall repaint or refinish, at its sole expense, high traffic areas subject to greater-than-normal wear as required by Lease, or as may be directed by Lessor. All Leasehold Improvements and Trade Fixtures that become worn, chipped, dented, or gouged, shall be repaired or replaced at Lessee’s sole expense. If the floor within the Premises is carpeted, Lessee shall replace the carpet every thirty (30) months at Lessee’s sole expense. The materials used to repair or replace Leasehold Improvements and Trade Fixtures must adhere to the requirements of Section 7.

SECTION 10.3 - Right to Enter

10.3.1 Lessor shall have the right to enter the Premises to inspect the Premises at reasonable times during Lessee’s regular hours of operation to determine whether Lessee has complied, and is complying, with this Lease.

10.3.2 Lessor shall have the right to enter the Premises to cure any material breach that remains uncured by Lessee after reasonable notice and opportunity to cure.

10.3.3 Lessor shall have the right to enter the Premises to respond to any emergency.

10.3.4 Nothing in this Section shall be construed to be a limitation or restriction on the exercise of Lessor’s police power.

SECTION 10.4 - Failure to Maintain or Repair

10.4.1 If found that Lessee or its Partners was responsible for damages associated with a lack of regular and routine cleaning, inspections or maintenance of the Premises, including support space, Lessee shall be responsible for all associated costs to repair the Premises as well as any adjacent spaces to which damage may have spread.

10.4.2 If Lessee refuses or neglects to undertake the maintenance, repair, or replacements requested by Lessor; or if Lessor is required to make any repairs necessitated by the acts or omissions of Lessee, its Partners, contractors, or invitees, Lessor shall have the right to make such repairs on behalf of and for Lessee. Such work shall be paid for by Lessee within ten days’ receipt of invoice from Lessor for payment at Lessor’s standard rates, plus Lessor’s administrative costs, or, if the work is performed by Lessor’s contractor, Lessor’s actual cost, including but not limited to Lessor’s administrative costs.

SECTION 10.5 - Operation Costs

Lessee shall be responsible for all costs of operating Lessee’s Retail concessions included under this Lease, and shall pay, in addition to rent and other payments specified in this Lease, all other costs connected with the use of the Premises and facilities, and those rights and privileges granted.

SECTION 10.6 - Utilities
Lessor has provided and will maintain all utility service (ventilating and air conditioning equipment, electrical, fire suppression) to the Premises. Lessee shall be required to provide all utility hook-ups. Lessor shall not be responsible for charges relating to utility service usage, telephone service and special wiring and hookups for computer(s) for the Premises, including wireless internet access. Lessor shall have no liability for blackouts, brownouts, cessation, interruption, or failure of utilities.

SECTION 11
INSURANCE REQUIREMENTS

SECTION 11.1 – Introduction

11.1.1 Lessee and its Partners shall procure and maintain for the term of the Lease, insurance against claims for injury to persons or damage to property which may arise from or in connection with this Lease.

11.1.2 Lessee shall deliver to Lessor, prior to its occupancy of the Premises, a certificate of insurance acceptable to Lessor in the amounts as stated within Section 11.2. Lessor reserves the right to review the sufficiency of and to modify the insurance requirements of this Lease at the time MAG is reviewed for adjustment in order to determine whether existing insurance requirements are reasonable, adequate and commercially available so that Lessee’s operations are insured to protect the Lessor’s interests. Lessee shall maintain insurance coverage throughout the term of the Lease or Lessor may terminate this Lease. Additional insurance coverage may be required depending on the type of concession services being provided.

SECTION 11.2 – Minimum Scope and Limits of Insurance

Lessee shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided the coverage is written on a “following form” basis.

3. Commercial General Liability – Occurrence Form
   Policy shall include bodily injury, property damage and broad form contractual liability coverage.
   - Each Occurrence $ 1,000,000
   - General Aggregate $ 2,000,000
   - Products – Completed Operations Aggregate $ 1,000,000
   - Personal and Advertising Injury $ 1,000,000
   - Fire Damage (Damage to Rented Premises) $ 100,000

a. The policy shall be endorsed to include the following additional insured language: "The City of Phoenix shall be named as an additional insured with respect to liability arising out of the use and/or occupancy by Lessee of the Premises subject to this Lease."

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b. The policy shall not contain any restrictions of coverage with regard to operations on or near Airport Premises.

4. **Automobile Liability**
   Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Lease.
   - Combined Single Limit (CSL) airside driving $ 5,000,000
   - Combined Single Limit (CSL) non-airside driving $ 1,000,000

   a. The policy shall not contain any restrictions of coverage with regard to operations on or near the Airport.

3. **Worker’s Compensation and Employers’ Liability**
   - Workers’ Compensation
   - Employers’ Liability
     - Each Accident $ 100,000
     - Disease-Each Employee $ 100,000
     - Disease-Policy Limit $ 500,000

   a. Policy shall contain a waiver of subrogation against the City of Phoenix.
   b. This requirement shall not apply when a Lessee or sublessee is exempt under A.R.S. 23-901, AND when such Lessee or sublessee executes the appropriate sole proprietor waiver form.

Property Insurance
   - Coverage for Lessee’s Leasehold Improvements Replacement Value
   - Coverage for Lessee’s contents Replacement Value

   d. Property insurance shall be written on an all risk, replacement cost coverage, including coverage for flood and earth movement.
   e. The City of Phoenix shall be named as a loss payee on property coverage for Lessee’s Leasehold Improvements.
   f. The policy shall contain a waiver of subrogation against the City of Phoenix.

6. **Fidelity Bond or Crime Insurance – Employee Theft**
   The bond or crime policy shall provide coverage for loss of monies belonging to the Lessor under the terms of the Lease as a result of theft by Lessee’s employees.

   Bond or Policy Limit $ 10,000

   d. The bond or policy shall include coverage for all directors, officers, agents and employees of the Lessee.
   e. The bond or policy must include coverage for third party fidelity, i.e. property of the Lessor that is held by the Lessee in any capacity, or property for which the Lessee is legally liable.
   f. The bond or policy shall not contain a condition requiring an arrest and conviction.

**SECTION 11.3 – Additional Insurance Requirements**

The policies shall include, or be endorsed to include, the following provisions:

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3. On insurance policies where the City is named as an additional insured, the City shall be an additional insured to the full limits of liability purchased by Lessee even if those limits of liability are in excess of those required by this Lease.

4. Lessee’s insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

SECTION 11.4 – Notice of Cancellation

For each insurance policy required by the insurance provisions of this Lease, Lessee must provide to the Lessor, within two (2) business days of receipt, a notice if a policy is suspended, voided, or canceled, for any reason. Such notice shall be mailed, hand-delivered or sent via facsimile transmission to:

City of Phoenix Aviation Department  
Business & Properties Division  
Phoenix Sky Harbor International Airport  
2485 East Buckeye Road  
Phoenix, AZ 85034

and shall be sent by certified mail, return receipt requested.

SECTION 11.5 – Acceptability of Insurers

Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than B+ VI. Lessor in no way warrants the above-required minimum insurer rating is sufficient to protect Lessee from potential insurer insolvency.

SECTION 11.6 – Verification of Coverage

Lessee shall furnish Lessor with certificates of insurance (ACORD form or equivalent approved by Lessor) as required by this Lease. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by Lessor before the Lease term commences. Each insurance policy required by this Lease must be in effect at or prior to the commencement of work and must remain in effect for the duration of the Lease. Failure to maintain the insurance policies as required by this Lease or to provide evidence of renewal will be considered a material breach of the Lease.

The City Lease number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Lease at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY’S RISK MANAGEMENT DIVISION.

The initial certificates required by this Lease shall be sent directly to:
SECTION 11.7 – Sublessees and Partners

Lessee's certificate(s) shall include all sublessees and Partners as additional insureds under its policies or Lessee shall furnish to the City separate certificates and endorsements for each sublessee and partner. All coverages for sublessees and partners shall be subject to the minimum requirements identified above.

SECTION 11.8 – Approval

Any modification or variation from the insurance requirements in this Lease must have prior approval from the City’s Law Department, the decision of which shall be final. Such action will not require a formal Lease amendment, but may be made by administrative action.

SECTION 12
INDEMNIFICATION OF CITY

Lessee (Indemnitor) must indemnify, defend, save and hold harmless the City of Phoenix and its officers, officials, agents, and employees (“Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) ( “Claims”) caused, or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Lessee or any of its owners, officers, directors, agents, employees or contractors, arising out of or related to Lessee’s operations or occupancy and use of the Leased Premises. This indemnity includes any Claims arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of Lessee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Lessee must indemnify Indemnitee from and against any and all
Claims, except those arising solely from Indemnitee’s own negligent or willful acts or omissions. Lessee will be responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration for the use and occupancy of the Leased Premises, Lessee waives all rights of subrogation against Indemnitee for losses arising from the Indemnitee’s operations use, occupancy or condition of the Leased Premises. The obligations of Lessee under this provision survive the termination or expiration of this Lease.

SECTION 13
LIENS AND PERFORMANCE AND PAYMENT BONDS

SECTION 13.1 - Liens

Lessee shall not create, permit, or suffer any lien to be imposed upon the Premises or upon any Leasehold Improvements without promptly discharging the same. Lessee shall at all times indemnify and save the City harmless from all liens, claims, losses, demands, costs, expenses or liability cost for labor or materials in conjunction with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and against all reasonable attorneys’ fees and other costs arising by reason of any such liens or claims and the removal of liens.

SECTION 13.2 - Payment Bond

Prior to the commencement of any construction, alteration, or repair hereunder of Lessee’s Leasehold Improvements and/or Trade Fixtures which exceeds $10,000 in cost, Lessee shall furnish to the Lessor, without expense to the Lessor, a payment bond issued by a surety company licensed to transact business in the State of Arizona and satisfactory to and approved by the Lessor with Lessee’s contractor or contractors as principals. The penal amount of the bond shall be not less than 100 percent of the total cost of the contract or contracts for the construction, alteration, or repair of such Leasehold Improvements and/or Trade Fixtures. In the event that such contracts involve alteration or work on or to the Lessor’s facilities, the payment bond shall be posted regardless of the dollar value of the work. The payment bond required by this Section shall guarantee the prompt payment to all persons supplying labor, materials, provisions, supplies, and equipment used directly or indirectly by any contractor, subcontractor(s), and suppliers doing work provided for in the above-mentioned construction contract and shall protect the Lessor from any liability, losses, or damages arising from it.

SECTION 13.3 - Performance Guarantee

Lessee shall provide and maintain during the term of this Lease a performance guarantee in the form of an irrevocable standby letter of credit (“LOC”) guaranteeing the full and faithful performance by Lessee of all the terms and conditions of this Lease, including security for payment by Lessee of all claims by Lessor. The amount of the performance guarantee for this Lease shall be either six (6) months’ rent or $____________, whichever is greater. Lessee shall increase the performance guarantee upon written demand of Lessor,
provided such increases are found reasonable and necessary by Lessor. Lessor may draw or make a claim against the posted performance guarantee for failure of Lessee to perform according to the covenants, terms and conditions of the Lease. If Lessor draws or makes a claim on the posted performance guarantee, Lessee shall replenish the performance guarantee to its original amount within thirty (30) days’ notice of Lessor’s draw or claim unless otherwise agreed by Lessor in writing. The performance guarantee is required to be in place for the entire term of this Lease. Lessee’s failure to provide and maintain a performance guarantee under this paragraph shall be a material breach of this Lease.

If the performance guarantee is in the form of a LOC, Lessee will use Lessor approved LOC form attached as Exhibit 6-D. The LOC shall be issued by a local financial institution preferably in the Phoenix Metropolitan area in a form that is satisfactory to the Lessor and Lessor must be able to draw upon the letter of credit at any of the financial institution’s counters in the Phoenix Metropolitan area. Any modification to the Lessor approved LOC form must be approved by Lessor. If an LOC is obtained, then unless Lessor receives a written extension of that LOC, in a form acceptable to Lessor, at least sixty (60) days before the end of the term of such LOC, Lessor, without notice to Lessee, may draw upon the full amount of that LOC and retain all proceeds as a cash security pursuant to this Section. Lessor will not pay interest to Lessee on any performance guarantee.

SECTION 14
ASSIGNMENT AND SUBLETTING

SECTION 14.1 – Assignment

14.1.3 Lessee shall not assign, hypothecate, surrender, sublease, or transfer all or any portion of its interest under this Lease, (collectively, an “Assignment”) nor permit any other person, firm or corporation to occupy the Premises without the prior written consent of Lessor. Lessor’s consent may be unreasonably withheld at the sole discretion of Lessor provided, however, that Lessee may, with the consent of Lessor, assign its interest under this Lease to a corporation in which fifty-one percent (51%) or more of the stock is owned by and management is controlled by the same person who owns and controls Lessee. For purposes of this Section, any transfer of control of Lessee’s business by sale of stock consolidation, merger or other means, is considered to be an Assignment of interest.

14.1.3 Lessor, as a condition of approval, will require that any transferee submit biographical and financial information and Lessor shall have thirty (30) days from the date Lessor receives a completed request to approve or deny same.

14.1.3 In the event Lessor consents to an Assignment of this Lease within the first Lease Year, if Lessee receives as any consideration for such Assignment, Lessee shall pay Lessor fifty percent (50%) of the consideration received for such Assignment, less any unamortized initial capital investment. Amortization must be calculated in accordance with Section 7.3.3. Total capital investment shall equal the total dollar amount identified in Section 7.1.4.

14.1.4 Lessee understands and agrees that any such approval will require Lessee to pay in advance a $250 document processing fee. This Lease or any interest therein, shall not be subject to Assignment by operation of law. Any Assignment without prior written consent of
Lessor shall be null and void.

SECTION 14.2 – Terms of Sublease

14.2.1 Each sublease to this Lease is in all respects subject to and subordinate to this Lease. The terms of this Lease shall be reviewed with each Partner, and each Partner shall confirm in its sublease that such review has occurred. A copy of this Lease shall be attached as an exhibit to each sublease. Lessee shall provide complete copies of the executed subleases to Lessor.

14.2.2 The use, distribution and all associated rent fees for support space Premises among Lessee and its Partners shall be the responsibility of Lessee. Lessor reserves the right to reduce, or relocate Lessee’s support space to other reasonably comparable areas in T3 if available, by giving thirty (30) days’ prior notice.

SECTION 14.3 – Approved Partners

Lessee’s selection of Partners shall be subject to Lessor’s approval and the operation of Retail concession units by Partners shall be in accordance with Exhibit 2-D.

SECTION 15
CANCELLATION BY LESSOR

SECTION 15.1 - General Default

In addition to those events of defaults provided elsewhere in this Lease, Lessor may immediately terminate this Lease by giving Lessee written notice of the immediate termination upon the happening of any of the following events:

15.1.1 The taking of possession for a period of twenty (20) or more days of all or substantially all of the property used on the Premises belonging to Lessee by or pursuant to lawful authority of any legislative act, resolution, rule, order or decree of any court or governmental board, agency, officer, receiver, trustee or liquidator.

15.1.2 The filing of any lien against the Premises because of any act or omission of Lessee that is not discharged or contested in good faith as determined by Lessor by proper legal proceedings within twenty (20) days’ receipt of notice by Lessee.

15.1.3 Unless otherwise provided in this Lease, the breach by, or the failure, or refusal of Lessee to observe or perform, any of the covenants, terms and conditions herein contained and on its part to be observed and performed, which is addressed below, and such failure shall continue for a period of more than twenty (20) days after delivery by Lessor of a written notice of such breach.

15.1.4 The voluntary abandonment by Lessee of its operations at T3 for a period of one day or longer.

SECTION 15.2 - Rental Default
Lessor may place Lessee in default of this Lease by giving Lessee ten (10) days written notice for Lessee’s failure or refusal to timely pay rent as provided in Section 3. During the ten (10) day notice period, Lessee shall cure its rent default, including delinquent fees; otherwise, this Lease may be terminated at Lessor’s sole option without further notice.

SECTION 15.3 - Failure to Commence Construction of Leasehold Improvements

If Lessee fails to commence construction of the Leasehold Improvements in accordance with the Lessor-approved phasing plan or if Lessee fails to furnish the required performance guarantee and insurance policies on or before the time Lessee has given its contractor a Notice to Proceed, this Lease shall be considered breached and may be terminated by Lessor, and Lessee’s performance guarantee shall be forfeited as liquidated damages, not as a penalty, but to cover expenses incurred by Lessor as a result of Lessee’s breach. Further, all of Lessee’s rights and claims upon the Premises shall be immediately forfeited.

SECTION 16
CANCELLATION BY LESSEE

SECTION 16.1 - General Defaults

Lessee may cancel this Lease at any time that it is not in default in its obligations by giving Lessor thirty (30) days written notice after the happening of any of the following events materially impairing the conduct of its normal business from the Premises:

16.1.4 Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining normal use of the Airport or any substantial part of it and the remaining in force of such injunction for a period of ninety (90) consecutive days.

16.1.5 The inability of Lessee or its customers to use, for a period of ninety (90) consecutive days, the Airport or any substantial part of it due to enactment or enforcement of any law or regulation, or because of fire, earthquake or similar casualty, or Acts of God or the public enemy.

16.1.6 The lawful assumption by the United States (U.S.) government of the operation, control, or use of the Airport or any substantial part of it for military purposes in time of war or national emergency.

SECTION 17
REDELIVERY AND HOLDING OVER

SECTION 17.1 - Redelivery

Upon expiration or other termination of this Lease, Lessee’s right to occupy the Premises and exercise of the privileges herein granted shall cease and it shall surrender the same and leave the Premises in good condition except for normal wear and tear. Unless otherwise
provided, personal property placed by Lessee on the Premises shall remain the property of Lessee, and Lessee shall have the right at any time during the term of the Lease, and for up to an additional period of thirty (30) calendar days after its expiration, to remove same from Airports; provided Lessee is not in default in its payments to Lessor hereunder, and provided that Lessee shall repair any damage caused by such removal. In the event Lessee fails to repair any damage to the Premises caused by the removal of Lessee's personal property, Lessor shall have the right to make such repairs it deems necessary at Lessee's sole expense. If Lessee's personal property remains on the Premises up to an additional period of thirty (30) days after expiration, cancellation or termination of the Lease, then Lessee shall pay the proportionate share of rent for every day that the personal property remains on the Premises. Any personal property not removed by Lessee within the thirty (30) day period shall become a part of the Premises and title thereto shall vest in Lessor.

SECTION 17.2 - Holding Over

Lessor may, at its option, allow Lessee to hold over under this Lease on a month-to-month basis. It is agreed and understood that any holding over of Lessee after the termination of this Lease with Lessor's consent shall not renew and extend the Primary Term but shall operate and be construed as a month-to-month permit and Lessee agrees to pay to Lessor fees or other payments that are in effect at the end of the Primary Term of the Lease unless Lessor has given prior notice of any increased fees. Such increase in fees may be given at any time with notice of not less than sixty (60) days. Lessee shall be liable to Lessor for all loss or damage on account of any such holding over against Lessor's will after the termination of this Lease, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing payment to Lessor in the event that Lessee fails or refuses to surrender possession shall not constitute a waiver by Lessor of its right to immediate possession.

SECTION 18

DAMAGE OR DESTRUCTION

SECTION 18.1 - Damage or Destruction to T3 or to Unimproved Shell

Lessor shall be under no obligation to repair damage or destruction to T3 or to the unimproved shell. At Lessor's sole discretion, Lessor may choose not to repair or reconstruct if the repairs cannot be made within six (6) months), if repair of damage deemed too costly by Lessor, or if the lease term would expire within twelve (12) months from the date of the damage or destruction.

If the unimproved shell is damaged by fire, explosion, Act of God, the public enemy, or other casualty, but not rendered untenable, the same may be repaired with due diligence by Lessor at its own cost and expense. If such damage is so extensive as to render the unimproved shell untenable, but capable of being repaired within six (6) months, the same may be repaired with due diligence by Lessor at its own cost and expense, and the rent
payable under Section 3 shall be proportionately paid up to the time of such damage, and thereafter abate and cease until such time as the unimproved shell is again tenable.

If any portion of T3 other than the unimproved shell is so damaged and such damage is capable of being repaired within six (6) months, the same may be repaired, with due diligence by Lessor at its own cost and expense. If such damage is so extensive as to substantially impair Lessee’s operations within the Premises, the rent payable hereunder shall be paid up to the time of such damage, and thereafter shall be equitably reduced in proportion to such impairment until such time as Lessee’s operations shall be fully restored.

If either the unimproved shell, excluding Lessee’s Trade Fixtures or Leasehold Improvements, or T3, or both, be completely destroyed by fire, explosion, Act of God, the public enemy or other casualty, or so damaged as to be untenable and incapable of being repaired within six (6) months the rent obligations of Lessee hereunder shall be paid up to the time of such damage or destruction, and thereafter shall be proportionately reduced for impaired operation, or if no operation is possible, shall cease until such time as the Premises are fully restored, and rent obligations shall thereafter resume in the same proportion as Lessee’s operation on the Premises shall resume.

If the damage or destruction to the unimproved shell, Trade Fixtures or Leasehold Improvements, or T3, or all of the above, renders the entire premise untenable and is not repaired or restored within twelve (12) months after such damage or destruction, Lessor or Lessee shall have the right to cancel this Lease upon written notice to the other party as to such election.

If damage was caused by Lessee, Lessee shall pay for the repair or restoration at Lessee’s own cost and expense.

SECTION 18.2 - Damage to Premises

If any of the Leasehold Improvements or Trade Fixtures constructed or installed by Lessee in or at the Premises are damaged or destroyed by fire, explosion, Act of God, the public enemy or other casualty, Lessee shall repair or replace the same with due diligence at its own cost and expense. Such replacements or repairs shall be equivalent to or better in quality than the Leasehold Improvements and Trade Fixtures so destroyed or damaged. This paragraph shall not be applicable, however, if Lessor is not obligated and elects not to rebuild pursuant to Section 18.1. If Lessee fails to repair or replace such damaged Leasehold Improvements or Trade Fixtures subject to a schedule approved by Lessor and provided that this Lease has not been canceled, Lessor may make such repairs or replacement and recover from Lessee the cost and expense of such repair or replacement, plus an additional twenty-five percent (25%) of the expenses for Lessor’s administrative costs.

SECTION 18.3 - Protection of Contents of Premises
Protection against loss by fire or other casualty to the contents of the Premises shall not at any time be an obligation of the Lessor.

SECTION 19
FORCE MAJEURE

In the event Lessor or Lessee shall be prevented or unable to perform any act required by this Lease by reason of acts or determination of federal, state or local governments or fire, earthquake or similar Acts of God, or any other reason of a like nature beyond their control, then performance of such act shall be extended for a period equivalent to the period of delay; provided, however, that no such delay shall exceed ninety (90) days unless approved in writing by Lessor; otherwise, this Lease shall terminate.

SECTION 20
ATTORNEYS' FEES

In the event of litigation between Lessor and Lessee to enforce the rights or obligations provided by this Lease, the non-prevailing party shall pay for the prevailing party’s reasonable attorneys’ fees and costs of litigation as may be determined by the court.

SECTION 21
AMENDMENT

Any amendment, modification, or alteration of this Lease shall be effective only if mutually agreed upon, reduced to writing, and signed by both parties.

SECTION 22
RELATIONSHIP OF PARTIES

Nothing contained in this Lease shall be deemed or construed by Lessor or Lessee, or by any third party, as creating the relationship of principal and sublessee, agent, Partners, joint venturers, or any other similar such relationship, between Lessor and Lessee. It is understood and agreed that neither the method of computation of rent and other payments, nor any other provision contained in this Lease, nor any acts of Lessor or Lessee creates a relationship other than the relationship of Lessor and Lessee as described in this Lease.

Lessee agrees no persons supplied by it in the performance of the Lease are employees of Lessor and further agrees no rights to Lessor's civil service, retirement or personnel rules and benefits accrue to such persons.

Lessee shall be responsible for all salaries, wages, bonuses, retirement, withholdings, workers' compensation, unemployment compensation, other benefits, taxes and premiums appurtenant thereto concerning such persons provided by Lessee in the performance of the...
Lease, and Lessee shall save and hold Lessor harmless with respect thereto.

SECTION 23
NO THIRD-PARTY BENEFICIARIES

The parties expressly agree that this Lease is not intended by any of its provisions to create any right of the public or any member thereof as a third party beneficiary nor to authorize anyone not a party to this Lease to maintain a suit for injuries or damage pursuant to the terms or provisions of this Lease.

SECTION 24
PROHIBITED INTERESTS

No member, officer, or employee of Lessor during his or her tenure, and for one (1) year thereafter, shall have any interest, direct or indirect, in this Lease or its proceeds.

SECTION 25
QUIET ENJOYMENT

Lessor agrees that, on payment of rent and all other fees due Lessor and the performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Premises free from interference from Lessor except as may otherwise be provided herein and the privileges granted herein for the commercial use of Airport facilities.

SECTION 26
COMPLIANCE WITH LAWS

SECTION 26.1 - Rules and Regulations

26.1.1 Lessee, its officers, Partners, agents, employees, contractors, and any other person whom Lessee controls or has the right to control shall comply with all present and future laws, ordinances, orders, directives, rules, and regulations of the U.S. government, the State of Arizona, the County of Maricopa, and the City and all agencies thereof that may be applicable to its operations or to the operation, management, maintenance or administration of the Airport now in effect or hereafter promulgated, without limits to other conditions in this Lease.

26.1.2 Without limiting the above, in performing this Lease, Lessee its officers, Partners, agents, employees, contractors, and any other person whom Lessee controls or has the right to control, shall comply with Section 504 of the Rehabilitation Act of 1973 (Section 504), and the Americans with Disabilities Act of 1990 (ADA), and all pertinent Executive Orders, regulations and rules promulgated thereunder, and must train all employees and agents performing under this Lease on Section 504 and ADA requirements.

26.1.3 Compliance with Environmental Laws - Lessee shall, at its own expense, comply with all present and subsequently enacted environmental law, and any amendments
thereto, affecting Lessee’s use of the Premises including the requirements set forth in Exhibit 7- D (“Compliance with Environmental Laws”) attached hereto and incorporated herein by reference.

SECTION 26.2 - Supplemental Terms and Conditions to All Airport Agreements

Without limiting any other conditions set forth in this Lease, Lessee shall comply with the specific requirements more particularly set forth in Exhibit 8 (“Supplemental Terms and Conditions to All Airport Agreements”), attached hereto and incorporated herein by reference.

SECTION 26.3 - Taxes and Licenses

Lessee shall pay, on or before their respective due dates, to the appropriate collecting authority, any and all leasehold tax, sales tax, transaction privilege tax, federal, state, and local taxes, including real or personal property taxes and business taxes that are now or may be levied upon the Premises, or upon Lessee, upon Lessee’s interest in this Lease, or upon the business conducted on the Premises, or upon any of Lessee’s property used in connection with the Premises whether or not such tax, fee or assessment is levied, charged or assessed on City or Lessee; provided, however, that Lessee may at its sole expense dispute and contest these taxes and in such case such disputed items need not be paid until finally adjudged to be valid. In the event laws or judicial decisions result in imposition of a real property tax on the interest of Lessor, the prorata share of such tax attributable to the Premises should also be paid by Lessee for the period this Lease is in effect.

Lessee shall maintain in current status all federal, state, and local licenses and permits necessary or required by law for the construction of Leasehold Improvements and/or the installation of Trade Fixtures, and any other licenses necessary for the operation of Lessee’s Retail concessions.

SECTION 27
GENERAL PROVISIONS

SECTION 27.1 – ACDBE, DBE, and Small Business Utilization

27.1.1 The City encourages Lessee to voluntarily utilize small businesses wherever possible in accordance with the service standards of this Lease.

27.1.2 Lessee acknowledges it proposed the following utilization throughout the term of this Lease.

c. Participation as Partners as a percentage of this Lease’s value: ACDBE _____ percent (___%), DBE _____ percent (___%), and Small Business _____ percent (___%).

d. Participation as suppliers of goods and services as a percentage of the operating expenses or cost of goods sold associated with this Lease: Lessee: ACDBE _____ percent (___%), DBE _____ percent (___%), and Small Business _____ percent (___%).
Lessee agrees to maintain the above-listed ACDBE, DBE and small business utilization throughout the term of the Lease. Lessee agrees to notify the City of Phoenix Equal Opportunity Department of any changes in ACDBE, DBE or small business status, including level of utilization, identity of ACDBE, DBE or small business Partners and suppliers of goods and services, if applicable, and eligibility of those businesses for ACDBE or DBE designation. Lessee agrees to use continued good faith efforts to maintain the utilization of its ACDBE, DBE and small business Partners in its Retail concessions included in this Lease.

27.1.3 If during the term of this Lease an ACDBE, DBE or small business Partner or supplier of goods and services is no longer available to conduct business with Lessee, then Lessee will be required to conduct outreach efforts to continue to achieve small business utilization in accordance with this Lease. The outreach efforts by Lessee must meet requirements of Lessor and the selection of the replacement Partner or supplier of goods and services is subject to the approval of the Lessor.

27.1.4 This Lease shall be subject to review for ACDBE or DBE utilization and goals may be established before any Lease extension.

27.1.5 Failure of Lessee to maintain its ACDBE, DBE or small business utilization throughout the term of the Lease, or to demonstrate it has met the outreach requirements for a reduction in the amount of utilization, may be a material breach of the Lease.

SECTION 27.2 - EQUAL EMPLOYMENT OPPORTUNITY AND EQUAL PAY

D. In order to do business with the City, Consultant must comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended, Equal Employment Opportunity Requirements.

E. Any supplier/lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee will SHALL ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, AND SHALL ADHERE TO A POLICY TO PAY EQUAL COMPENSATION TO MEN AND WOMEN WHO PERFORM JOBS THAT REQUIRE SUBSTANTIALLY EQUAL SKILL, EFFORT, AND RESPONSIBILITY, AND THAT ARE PERFORMED WITHIN THE SAME ESTABLISHMENT UNDER SIMILAR WORKING CONDITIONS. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract.

Supplier/lessee further agrees that this clause will be incorporated in all subcontracts, job-consultant agreements or subleases of this agreement entered
into by supplier/lessee. The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.

SECTION 27.3 - Subordination to Agreements with the United States

This Lease is subject to and subordinate to the provisions of any agreement currently in force or subsequently made between Lessor and the U.S. government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to Lessor for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. Lessor warrants it has no existing agreements with the U.S. government in conflict with the express provisions of this Lease.

SECTION 27.4 - Notices

Any notice, consent or other communication (“Notice”) required or permitted under this Lease shall be in writing and either: (1) delivered in person; (2) sent via e-mail, return receipt requested; (3) sent via facsimile transmission; (4) deposited with any commercial air courier or express delivery service; or (5) deposited in the U.S. mail, postage prepaid.

If to Lessor: City of Phoenix Aviation Department
Business & Properties Division
3400 East Sky Harbor Boulevard, Suite 3300 Phoenix, AZ 85034-4405
ATTN: Terminal Concessions
Telephone: (602) 273-4085
Facsimile: (602) 273-4083
E-Mail: paula.kucharz@phoenix.gov

If to Lessee: Company Name
Address 1
Address 2
ATTN: Contact Name
Telephone: (___) ___-____
Facsimile: (___) ___-____
E-Mail: _______@_________.___
Notice shall be deemed received: (1) at the time it is personally served; (2) on the day it is sent via e-mail; (3) on the day it is sent via facsimile transmission; (4) on the second day after its deposit with any commercial air courier or express delivery service; or (5) five (5) business days after the Notice is deposited in the U.S. mail as above provided. Any time period stated in a Notice will be computed from the time the Notice is deemed received.

Notices sent by e-mail and facsimile transmission will also be sent by regular mail to the recipient at the above address. This requirement for duplicate Notice is not intended to change the effective date of the Notice sent by e-mail or facsimile transmission.

SECTION 27.5 - Approvals, Consents and Notices

All approvals, consents and notices called for in this Lease must be in writing and may not be established by oral testimony.

SECTION 27.6 – Offset Provisions

Lessee acknowledges and accepts the provisions of Chapter 18, Section 14 of the Charter of the City of Phoenix, pertaining to claims or demands against the City, including provisions therein for set-off of indebtedness to the City against demands on the City, which require that no payment be made to Lessee as long as there is any outstanding liquidated undisputed obligation due to the City and direct that any such obligations be offset against any payment due Lessee.

Lessee agrees to adhere to the prescribed procedure for presentation of claims and demands. Nothing in Chapter 18, Section 14 of the Charter of the City of Phoenix alters, amends or modifies the supplemental and complementary requirements of the State of Arizona Notice of Claim statutes, Arizona Revised Statutes (A.R.S.) §§ 12-821 and 12-821.01, pertaining to claims or demands against the City. If for any reason it is determined that the City Charter and state law conflict, then state law shall control.

Moreover, nothing in this Lease shall constitute a dispute resolution process, an administrative claims process, or contractual term as used in A.R.S. § 12-821.01(C), sufficient to affect the date on which the cause of action accrues within A.R.S. § 12-821.01(A) and (B).

SECTION 27.7 - Transactional Conflicts of Interest

Lessee acknowledges that this Lease is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

SECTION 27.8 - Paragraph Headings

All section and subsection headings of this Lease are inserted for reference only and shall not be considered to define or limit the scope of any provision.

SECTION 27.9 - Saving Clause
Should any provision of this Lease be declared invalid by a court of competent jurisdiction, the remaining terms shall nonetheless remain effective, provided that elimination of the invalid provision does not materially prejudice either Lessor or Lessee with regard to their respective rights and obligations.

SECTION 27.10 - Waiver of Claims

Lessee hereby waives any claim against Lessor and its officers or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Lease or any part of this Lease, or by any judgment or award in any suit proceeding declaring this Lease null, void, or voidable, or delaying the Lease or any part of it from being carried out.

SECTION 27.11 - Corporation Authorization

In the event Lessee is a corporation, certified copies of resolutions of the directors and stockholders authorizing this Lease shall be furnished to Lessor prior to final execution of this Lease.

Contract holder must be authorized or registered to transact business in the state of Arizona and must be in good standing prior to City Council approval.

SECTION 27.12 - Right to Develop Airport

Lessee agrees Lessor reserves the right to further develop or improve the Airport and all landing areas and taxiways as Lessor may see fit, regardless of the desires or views of Lessee and without any interference or hindrance from Lessee.

SECTION 27.13 - Incorporation of Exhibits

All exhibits and documents referred to in this Lease are intended to be and hereby are specifically made a part of this Lease.

SECTION 27.14 - Incorporation of Required Provisions

Lessor and Lessee hereby incorporate by this reference all provisions lawfully required to be contained in this Lease by any governmental body or agency.

SECTION 27.15 - Successors and Assigns Bound

All the provisions of this Lease shall bind the legal representatives’ successors and assigns of the respective parties.

SECTION 27.16 - Right to Amend

In the event that the FAA or its successors requires modifications or changes in this
Lease as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Lease as may be reasonably required to satisfy the FAA requirements.

SECTION 27.17 - *Time of Essence*

It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

SECTION 27.18 - *Good Faith*

The terms and conditions set forth in this Lease are for the mutual benefit of both parties. Because of the nature of this Lease, Lessor and Lessee agree that there is an obligation and implied duty of reasonable diligence and good faith imposed on both parties to make reasonable efforts to fulfill the terms, conditions, and covenants imposed by this Lease.

SECTION 27.19 - *Interpretation*

Lessor and Lessee agree that any rule of construction of contracts resolving disputes of interpretation against the drafting party is waived and shall be inapplicable to this document.

SECTION 27.20 - * Entire Lease*

It is understood and agreed that this Lease (including all exhibits and documents incorporated by reference) contains the entire Lease between Lessor and Lessee as to this Lease. Lessee’s response to the Retail Concessions at PHX Terminal 4 Revenue Contract Solicitation (RCS) is incorporated by reference as fully set forth herein. It is further understood and agreed by Lessee that Lessor and Lessor’s agents have made no representations or promises with respect to this Lease or the making or entry into this Lease, except as in this Lease expressly set forth, and that no claim or liability or cause for termination shall be asserted by Lessee against Lessor for, and Lessor shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Lease. Any other written or parole agreement with Lessor is expressly waived by Lessee. It is understood Lessor requires leases to be in writing and adopted by the City Council.

SECTION 27.21 - *Conflicts*

Conflicts among the documents composing this Lease shall be resolved in favor of the document that appears earliest in the following list:

d. Lease amendments, with later amendments superseding inconsistent provisions of earlier amendments;
e. This Lease including all Exhibits.
f. Retail Concessions at PHX Terminal 4 Revenue Contract Solicitation (RCS)
Response

SECTION 27.22-Hazard, Potential Hazard, Nuisance, or Annoyance

Any nuisance, annoyance, or hazardous or potentially hazardous condition on or emanating from the Premises shall be corrected immediately upon Lessee’s actual knowledge of the condition, nuisance, or annoyance or receipt of oral or written notice from Lessor. If, in Lessor’s sole discretion, a hazard or potentially hazardous condition presents an unreasonable and imminent risk of bodily injury, Lessor may require Lessee to close its business and bar the public from the Premises until the hazard or potentially hazardous condition has been abated. Nothing in this subsection shall be deemed to preclude Lessor from pursuing any available remedy for breach of this Lease. Lessee’s failure to promptly correct a nuisance, annoyance, or hazardous or potentially hazardous condition under this paragraph shall be a material breach of this Lease.

SECTION 27.23 – Airpot Security Plan

Lessor has implemented an Airport Security Program (Program) in a form acceptable to the Federal Aviation Administration (FAA) and/or Transportation Security Administration (TSA) pursuant to Title 49 Code of Federal Regulations. Lessor reserves the right to modify that Program from time to time as it deems necessary to accomplish its purposes. Lessee shall at all times comply with the Program and indemnify and hold harmless Lessor from any violations of the Program committed by Lessee, its employees, agents, invitees or contractors.

SECTION 27.24 – Lessee and Sublessee Worker Background Screening

27.24.1 Lessee agrees all employees and subcontractors [collectively “Contract Worker(s)”] that Lessee and its Partners furnish to the City pursuant to this Lease shall be subject to background and security checks and screening (collectively “Background Screening”) at Lessee’s sole cost and expense as set forth in this Section. The Background Screening provided by Lessee shall comply with all applicable laws, rules and regulations. Lessee further agrees the Background Screening required in this Section is necessary to preserve and protect public health, safety and welfare. The Background Screening requirements set forth in this Section are the minimum requirements for this Lease. The City in no way warrants that these minimum requirements are sufficient to protect Lessee from any liabilities that may arise out of Lessee’s services under this Lease or Lessee’s failure to comply with this Section. Therefore, in addition to the specific measures set forth below, Lessee and its Contract Workers shall take such other reasonable, prudent and necessary measures to further preserve and protect public health, safety and welfare when providing services under this Lease.

27.24.2 Lessee agrees it will verify legal Arizona worker status as required by A.R.S. § 41-4401. Lessee further agrees it will conduct a background check for real identity/legal name on all Contract Workers prior to proposing the Contract Worker to the City. In addition to the foregoing, the City reserves the right but not the obligations to: (1) have a Contract Worker be required to provide fingerprints and execute such other documentation as may be
necessary to obtain criminal justice information pursuant to A.R.S. § 41-1750(G)(4) or Phoenix City Code § 4-22; (2) act on newly acquired information whether or not such information should have been previously discovered; (3) unilaterally change its standards and criteria relative to the acceptability of Contract Workers; and (4) object, at any time and for any reason, to a Contract Worker performing work (including supervision and oversight) under this Lease.

27.24.3 By executing this Lease, Lessee certifies and warrants it has read the Background Screening requirements and criteria in this Section, understands them and that all Background Screening information furnished to the City is accurate and current. Also, by executing this Lease, Lessee further certifies and warrants it has satisfied all such Background Screening requirements as required. A Contract Worker rejected for work under this Lease shall not be proposed to perform work under other City contracts or engagements without the City’s prior written approval.

27.24.4 Lessee shall include the terms of this Section for Contract Worker Background Screening in all contracts and subcontracts for services furnished under this Lease including, but not limited to, supervision and oversight services.

27.24.5 The Background Screening requirements of this Section are material to the City’s entry into this Lease and any breach of this Section by Lessee shall be deemed a material breach of this Lease. In addition to the indemnity provisions set forth in Section 12 of this Lease, Lessee shall defend, indemnify and hold harmless the City for any and all Claims (as defined in Section 12) arising out of this Background Screening Section including, but not limited to, the disqualification of a Contract Worker by Lessee or the City for failure to satisfy this Section.

27.24.6 Lessee’s obligations and requirements that Contract Workers satisfy this Background Screening Section shall continue throughout the entire term of this Lease.

Lessee shall notify the City immediately of any change to a Background Screening of a Contract Worker previously approved by the City. Lessee shall maintain all records and documents related to all Background Screenings and the City reserves the right to audit Lessee’s compliance with this Section pursuant to Section 3.9.

SECTION 27.25 – Contract Worker Access Controls, Badge and Key Access Requirements

27.25.1 A CONTRACT WORKER SHALL NOT BE ALLOWED TO BEGIN WORK IN ANY CITY FACILITY WITHOUT: (1) THE PRIOR COMPLETION AND THE CITY’S ACCEPTANCE OF THE REQUIRED BACKGROUND SCREENING; AND (2) WHEN REQUIRED, THE CONTRACT WORKER’S RECEIPT OF A CITY ISSUED BADGE. A BADGE WILL BE ISSUED TO A CONTRACT WORKER SOLELY FOR ACCESS TO THE CITY FACILITY(S) TO WHICH THE CONTRACT WORKER IS ASSIGNED. EACH CONTRACT WORKER WHO ENTERS A CITY FACILITY MUST USE THE BADGE ISSUED TO THE CONTRACT WORKER.

27.25.2 After receipt of the badge application, the Contract Worker will proceed to the badging office for processing of the badge application and issuance of the badge. The City will not process the badge application until the Contract Worker satisfies the required Background Screening (as defined herein). The Contract Worker shall comply with all requirements and furnish all requested information as requested by the badging office. Any and all fees

Attachment D
Page 41 of 44
associated with security badging will be assessed in compliance with Phoenix City Code § 4-22.

27.25.3 If the Contract Worker’s services require keyed access to enter a City facility(s), a separate key issue/return form must be completed and submitted by Lessee for each key issued.

27.25.4 Lessee shall report lost or stolen badges or keys to the City immediately. A new badge application or key issue form shall be completed and submitted along with payment of the applicable fees prior to issuance of a new badge or key.

27.25.5 All badges and keys are the property of the City and must be returned to the City at the badging office within one (1) business day of when the Contract Worker’s access to a City facility is no longer required to furnish the services under this Lease. Lessee shall collect a Contract Worker’s badge and key(s) upon the termination of the Contract Worker’s employment; when the Contract Worker’s services are no longer required at the particular City facility(s); or upon termination, cancellation, or expiration of this Lease.

27.25.6 Lessee’s default under this Section shall include, but is not limited to, the following: (1) Contract Worker gains access to a City facility(s) without the proper badge or key; (2) Contract Worker uses a badge or key of another to gain access to a City facility; (3) Contract Worker commences services under this Lease without the proper badge, key or Background Screening; (4) Contract Worker or Lessee submits false information or negligently submits wrong information to the City to obtain a badge, key or applicable Background Screening; or (5) Lessee fails to collect and timely return Contract Worker’s badge or key upon termination of Contract Worker’s employment, reassignment of Contract Worker to another City facility or upon the expiration, cancellation or termination of this Lease. Lessee acknowledges and agrees the access control, badge and key requirements in this Section are necessary to preserve and protect public health, safety, and welfare. Accordingly, Lessee agrees to properly cure any default under this Section within three (3) business days from the date notice of default is sent by the City. The parties agree Lessee’s failure to properly cure any default under this Section shall constitute a breach of this Section. In addition to any other remedy available to the City at law or in equity, Lessee shall be liable for and shall pay to the City the sum of one thousand dollars ($1,000) for each breach by Lessee of this Section. The parties further agree the sum fixed above is reasonable and approximates the actual or anticipated loss to the City at the time and making of this Lease in the event Lessee breaches this Section. Further, the parties expressly acknowledge and agree to the fixed sum set forth above because of the difficulty of proving the City’s actual damages in the event Lessee breaches this Section. The parties further agree three (3) breaches by Lessee of this Section arising out of any default within a consecutive period of three (3) months, or three (3) breaches by Lessee of this Section arising out of the same default within a period of twelve (12) consecutive months, shall constitute a material breach of this Lease by Lessor and the City expressly reserves all of its rights, remedies and interests under this Lease, at law and in equity including, but not limited to, termination of this Lease.

SECTION 27.26 - Lessor Improvements to T3

Lessor and Lessee agree and acknowledge that, from time to time, Lessor may undertake improvements to T3 during the term of this Lease. Lessor will attempt to make
those improvements in a manner that does not interfere unreasonably with the operations of Lessee authorized under this Lease. Lessee expressly waives any and all claims for damages of any kind, including but not limited to, loss of profits as a result of the interruption of business of Lessee that may arise as a result of such improvements undertaken by Lessor.

SECTION 27.27 - Statutory Remedies

A.R.S. Title 33, Chapter 3, Article 4, entitled “Remedies of Landlord” and any subsequent amendments shall apply to this Lease and shall be in addition to any other remedy available to Lessor under law or in equity at the election of Lessor.

SECTION 27.28 - Non-Waiver

No waiver or failure or delay in exercising any rights, power, or privilege by Lessor of default by Lessee in performance of any requirements of this Lease shall be construed to be or act as a waiver of any subsequent default in performance of the same or any other requirement. The acceptance of rent or other payments by Lessor for any period or periods after a default by Lessee shall not be deemed a waiver of Lessor's right to exercise its remedies under this Lease for nonperformance.

SECTION 27.29 - Tenant Liability Continues

No such cancellation or termination of this Lease shall relieve Lessee of its liability and obligations under this Lease and such liability and obligations shall survive any such expiration or termination.

SECTION 27.30 - Lessee Bankruptcy

In the event that a petition in bankruptcy is filed:
   e. this Lease shall be deemed to be a “Shopping Center Lease” as provided in 11 U.S.C. §365(b)(2)(D) and (b)(3), governing certain non-monetary defaults;
   f. Lessor shall have the right to cure and be reimbursed for any non-monetary defaults that it cures;
   g. Under 11 USC § 365(b)(1), the meaning of a “prompt” cure shall be defined as a cure which occurs within thirty (30) days; and
   h. Lessee shall seek no more than an additional thirty (30) days in addition to the time provided by law whenever Lessee may petition the court for "additional time."

SECTION 27.31 Governing Law; Forum; Venue

This Lease is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) shall govern their interpretation and enforcement. Any action brought to interpret or enforce any provision of this Lease that cannot be administratively resolved, or otherwise related to or arising from this Lease, shall be commenced and maintained in the state or federal courts of the State of Arizona.
Arizona, Maricopa County, and each of the parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

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

CITY OF PHOENIX, a municipal corporation Ed Zuercher, City Manager

By: ______________________________
    James E. Bennett, A.A.E.
    Director of Aviation Services

ATTEST:

________________________________
    City Clerk

APPROVED AS TO FORM:

________________________________
    Acting City Attorney

Lessee

Company Name
State and Type of Business Entity

By: ______________________________
    PRINT NAME

Title: ______________________________

Signature: __________________________

Attachment D
Page 44 of 44
EXHIBIT 1 – D
(Retail Lease)

Premises

To be added prior to Lease execution

(Visit https://www.phoenix.gov/solicitations/493 to view the T3 Food and Beverage, Retail and Services Locations Map [Premises])
EXHIBIT 2 – D
(Retail Lease)

Concepts

To be added prior to Lease execution
EXHIBIT 3 – D
(Retail Lease)

Tenant Design Criteria

To be added prior to Lease execution

TENANT DESIGN CRITERIA VOL.’S 1 & 2 (Exhibit 3-D) ARE LOCATED AT:
www.phoenix.gov/solicitations/493

ALL RESPONDENTS ARE RESPONSIBLE FOR REVIEWING EXHIBIT 3-D IN ITS ENTIRETY PRIOR TO SUBMITTING A RESPONSE(S) TO THIS RCS. THE TENANT DESIGN CRITERIA VOL.’S 1 & 2 BECOME COMPONENTS OF THE LEASE.

IT IS RECOMMENDED RESPONDENTS DOWNLOAD EXHIBIT 3-D FOR THEIR RECORDS
# APPENDIX A

## T3 Processor: Concessions
### Architectural Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Approx. Area (s.f.)</th>
<th>Partitions / Walls</th>
<th>Storefront Structure / Frame Finishes</th>
<th>Rated Shaft &amp; Roof Curb - Above</th>
<th>Roof Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>809</td>
<td>Tenant Provided</td>
<td>Tenant Provided</td>
<td>N/A</td>
<td>N/A</td>
<td>Temporary Wall by Landlord</td>
</tr>
<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td>4,525</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>(1) 2-Hour Rated Shaft To Roof by Landlord</td>
<td>Roof Curb/Cap &amp; 600 s.f. area. Provided by Landlord</td>
<td>Temporary Wall by Landlord</td>
</tr>
<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>7,102</td>
<td>(2) Service Doors Provided</td>
<td>Tenant Provided</td>
<td>(2) 2-Hour Rated Shafts To Roof by Landlord</td>
<td>(2) Roof Curb/Caps &amp; 650 s.f. area. Provided by Landlord</td>
<td>Temporary Wall by Landlord</td>
</tr>
<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td>2,526</td>
<td>Tenant Provided</td>
<td>Tenant Provided</td>
<td>N/A</td>
<td>N/A</td>
<td>Circulation Easement For Access to Amenities.</td>
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<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
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<td>(2) Service Doors Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant</td>
<td>N/A</td>
<td>N/A</td>
<td>Demising &amp; Temporary Wall by Landlord</td>
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<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women’s / Men’s Boutique</td>
<td>1,756</td>
<td>Service Door Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant</td>
<td>N/A</td>
<td>N/A</td>
<td>Demising &amp; Temporary Wall by Landlord</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td>976</td>
<td>Service Door Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant</td>
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<td>Demising &amp; Temporary Wall by Landlord</td>
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<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
<td>922</td>
<td>N/A</td>
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<td>N/A</td>
<td>Demising &amp; Temporary Wall by Landlord</td>
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<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate / Candy</td>
<td>1,022</td>
<td>Service Door Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant</td>
<td>N/A</td>
<td>N/A</td>
<td>Demising &amp; Temporary Wall by Landlord</td>
</tr>
</tbody>
</table>
# T3 South Concourse: Concessions Architectural Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Approx. Area (s.f.)</th>
<th>Partitions / Walls</th>
<th>Storefront Structure / Frame Finishes</th>
<th>Rated Shaft &amp; Roof Curb - Above</th>
<th>Roof Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>2,342</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>No Shaft Provided. Roof Opening/Curb Provided.</td>
<td>290 SF Area Provided</td>
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<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>5,079</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>No Shaft Provided. (2) Roof Opening/Curb Provided.</td>
<td>1220 SF Areas Provided</td>
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<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>4,424</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>No Shaft Provided. Roof Opening/Curb Provided.</td>
<td>600 SF Area Provided</td>
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<tr>
<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
<td>1,974</td>
<td>Tenant Provided</td>
<td>Tenant Provided</td>
<td>N/A</td>
<td>235 SF Area Provided</td>
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<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>3,346</td>
<td>Service Door Provided</td>
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<td>N/A</td>
<td>Area On Roof Provided</td>
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<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
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<td>High Tech</td>
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<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>1,887</td>
<td>Service Door Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant.</td>
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<tr>
<td>Space ID</td>
<td>Location</td>
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<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>7,606</td>
<td>Tenant Provided</td>
<td>Tenant Provided</td>
<td>No Shaft Provided, Roof Opening/Curb Provided.</td>
<td>Roof Area provided</td>
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<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>1,881</td>
<td>Service Door Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant.</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>T3N-R14</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>1,881</td>
<td>Service Door Provided</td>
<td>Structure &amp; Frame Finish by Landlord. Infill by Tenant.</td>
<td>N/A</td>
<td>N/A</td>
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# T3 Processor: Concessions
## Plumbing & Mechanical Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>PLUMBING PROVISIONS</th>
<th>MECHANICAL PROVISIONS</th>
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<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td></td>
<td>1-1/2&quot;</td>
<td>4&quot; Capped at grade</td>
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<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td></td>
<td>2&quot;</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>(3) 2&quot;</td>
<td>(3) 4&quot;</td>
<td>(1) 4&quot;, (2) 6&quot;</td>
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<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td>3/4&quot;</td>
<td>3&quot;(*)</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women's / Men's Boutique</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate / Candy</td>
<td>1 1/2&quot;</td>
<td>4&quot;(*)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**COMMENTS:**

(*) Sanitary sewer and grease waste lines below slab & stubbed to edge or face of space lease line above.

(**) Cold water line capped below slab.
## T3 South Concourse: Concessions
### Plumbing & Mechanical Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>PLUMBING PROVISIONS</th>
<th>MECHANICAL PROVISIONS</th>
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<tbody>
<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>2&quot;(**)</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>2&quot;(**)</td>
<td>Two 4&quot;(*)</td>
</tr>
<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve / Specialty</td>
<td>2&quot;(**)</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
<td>2&quot;(**)</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>2&quot;(**)</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td>N/A</td>
<td>4&quot;(*)</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td>N/A</td>
<td>4&quot;(*)</td>
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<tr>
<td>T3S-R12</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>N/A</td>
<td>4&quot;(*)</td>
</tr>
</tbody>
</table>

**COMMENTS:**

(*) Sanitary sewer, grease waste, or vent piping below slab & stubbed to edge or face of space lease line above.

(**) Cold water piping capped below slab.
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td></td>
<td>2'(*)</td>
<td>4'(*)</td>
<td>4'(*)</td>
<td>4'</td>
<td>Landlord Provided</td>
<td>Yes, Area on Roof Provided</td>
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<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
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<td>N/A</td>
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<td>N/A</td>
<td>N/A</td>
<td>Landlord Provided</td>
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<tr>
<td>T3N-R14</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td></td>
<td>2'(**)</td>
<td>4'(*)</td>
<td>4'(*)</td>
<td>4'</td>
<td>Landlord Provided</td>
<td>N/A</td>
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</tbody>
</table>

**COMMENTS:**
(*) Sanitary sewer, grease waste, or vent piping below slab & stubbed to edge or face of space lease line above.
(**) Cold water piping capped below slab.
CITY OF PHOENIX  
Aviation Department  
Food and Beverage and Retail Concessions at PHX Terminal 3 RCS AVN 16-110

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>Electrical Provisions</th>
<th>Communications Provisions</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td></td>
<td>Temporary Provided Only</td>
<td>2°C to TR 02</td>
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<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td></td>
<td>Temporary Provided Only</td>
<td>2°C to TR 07</td>
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<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
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<td>Temporary Provided Only</td>
<td>2°C to TR 06</td>
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<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td></td>
<td>Temporary Provided Only</td>
<td>2°C to TR 02</td>
</tr>
<tr>
<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
<td></td>
<td>Temporary Provided Only</td>
<td>2°C to TR 07</td>
</tr>
<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women’s / Men’s Boutique</td>
<td></td>
<td>Temporary Provided Only</td>
<td>2°C to TR 07</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td></td>
<td>Temporary Provided Only</td>
<td>2°C to TR 04</td>
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<tr>
<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
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<td>2°C to TR 04</td>
</tr>
<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate / Candy</td>
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<td>Temporary Provided Only</td>
<td>2°C to TR 04</td>
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</table>

**COMMENTS**

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200AMP disconnect switch in space.
<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>ELECTRICAL PROVISIONS</th>
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<td>Lighting</td>
<td>Pathway to Demarcation Point</td>
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<tr>
<td></td>
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<td></td>
<td>Service Voltage / Phase / Termination</td>
<td>2°C to TR 13 / 1°C to RF 02</td>
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<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(4) each: 2°C to TR 13 / 1°C to RF 02</td>
</tr>
<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(4) each: 2°C to TR 13 / 1°C to RF 02</td>
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<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(2) each: 2°C to TR 12 / 1°C to RF 02</td>
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<tr>
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<td>Café / Bar</td>
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<td>480V/277V, 30, 4W</td>
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<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(2) each: 2°C to TR 13 / 1°C to RF 02</td>
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<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(2) each: 2°C to TR 13 / 1°C to RF 02</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(2) each: 2°C to TR 12 / 1°C to RF 02</td>
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<tr>
<td>T3S-R12</td>
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<td>News / Convenience / Coffee</td>
<td>Temporary Provided only</td>
<td>480V/277V, 30, 4W</td>
<td>(2) each: 2°C to TR 09 / 1°C to RF 02</td>
</tr>
</tbody>
</table>

**COMMENTS**

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200 AMP disconnect switch in space.
<table>
<thead>
<tr>
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<td>Lighting:</td>
<td>Pathway to Demarcation Point</td>
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<td>Service Voltage / Phase / Termination:</td>
<td>Conductor Topology</td>
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<td>Capacity of Service:</td>
<td>Termination Location</td>
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<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>Temporary Provided only</td>
<td>480Y/277V/30, 4W</td>
<td>(2) each 2°C to nearest TR 1°C to NC RF</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td>(2) 400 AMP Disconnect</td>
<td>(2) each:</td>
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<tr>
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<td></td>
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<td></td>
<td></td>
<td>(4) Cat. 6</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>(1) 6 stand SM</td>
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<td></td>
<td>(2) 24&quot;x24&quot; J-Boxes</td>
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<td>Souvenirs / High Tech</td>
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<td>480Y/277V/30, 4W</td>
<td>2°C to nearest TR 1°C to NC RF</td>
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<td>200 AMP Disconnect</td>
<td>(4) Cat. 6</td>
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<td>(1) 6 stand SM</td>
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<td>2°C to nearest TR 1°C to NC RF</td>
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<td>200 AMP Disconnect</td>
<td>(4) Cat. 6</td>
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<td></td>
<td></td>
<td>(1) 6 stand SM</td>
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<td>24&quot;x24&quot; J-Boxes</td>
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<th>SMOKE PROVISIONS</th>
<th>Capped Connection Point</th>
<th>Shell Sprinkler System Layout</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>1 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>3&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women’s / Men’s Boutique</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate &amp; Candy</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
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# T3 South Concourse: Concessions
## Fire Protection Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Leased Space</th>
<th>Comments</th>
<th>FIRE ALARM PROVISIONS</th>
<th>SMOKE PROVISIONS</th>
<th>Capped Connection Point</th>
<th>Shell Sprinkler System Layout</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve / Specialty</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
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<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
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<td>Shell Space Only</td>
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<tr>
<td>T3S-R8</td>
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<td>News / Convenience / Coffee / Specialty</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
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<td>Shell Space Only</td>
</tr>
<tr>
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<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-R12</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>Space ID</td>
<td>Location</td>
<td>Proposed Leased Space</td>
<td>Comments</td>
<td>FIRE ALARM PROVISIONS</td>
<td>SMOKE PROVISIONS</td>
<td>Capped Connection Point</td>
<td>Shell Sprinkler System Layout</td>
</tr>
<tr>
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</tr>
<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3N-R14</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
</tbody>
</table>
APPENDIX C

TERMINAL 3 RCS AVN 16-110

T3 LEASE OUTLINE DRAWINGS (LOD), (Appendix C) ARE LOCATED AT:
www.phoenix.gov/solicitations/493

ALL RESPONDENTS ARE RESPONSIBLE FOR REVIEWING APPENDIX C IN ITS ENTIRETY PRIOR TO SUBMITTING A RESPONSE TO THIS RCS. THE LOCATION OUTLINE DRAWINGS BECOME COMPONENTS OF THE LEASE.

IT IS RECOMMENDED RESPONDENTS DOWNLOAD APPENDIX C FOR THEIR RECORDS
EXHIBIT 4 – D
(Retail Lease)

Airport Pricing and Comparisons

To be added prior to Lease execution
no more than 10% higher than comparable street locations in the Phoenix area
EXHIBIT 5 – D
(Retail Lease)

Proposed Capital Investments

To be added prior to Lease execution
EXHIBIT 6 – D
(Retail Lease)

Letter of Credit Form

[BANK]
IRREVOCABLE STANDBY LETTER OF CREDIT NO. ______

To: City of Phoenix – Beneficiary
   Aviation Department
   Business & Properties Division
   3400 East Sky Harbor Boulevard, Suite 3300
   Phoenix, Arizona 85034
   Attn: Deputy Aviation Director

Applicant: Company Name

Amount: $ xxx.xx

Expiration Date: mm/dd/yyyy

We hereby establish our irrevocable Standby Letter of Credit No. ______ in your favor available against sight drafts drawn on (name of bank) at the office of the undersigned located at (address of bank in Phoenix Metro Area, Arizona), accompanied by the following documents:

1. A certificate purportedly signed by the Aviation Director, or by any other director of the City of Phoenix Aviation Department, stating one or more of the following:

   A. The City of Phoenix is drawing against (name of bank) Standby Letter of Credit No. ______ as Company Name has failed to perform its obligations under or failed to comply with its Agreement No.______, or any amendments thereto, or any replacement agreement, and the City of Phoenix requires payment under this Standby Letter of Credit of $ ______________.
   B. The City of Phoenix is drawing against (name of bank) Standby Letter of Credit No. ______ as Company Name has failed to provide a replacement Standby Letter of Credit prior to sixty (60) days before the expiration date as required by its Agreement No. or any amendments thereto, or any replacement agreement, and the City of Phoenix requires payment under this Standby Letter of Credit of $ ______________.
   C. The City of Phoenix is drawing against (name of bank) Standby Letter of Credit No. ______ as the City of Phoenix has received notice from (name of bank) that the Standby Letter of Credit No. _______ will not be extended, and the City of Phoenix requires payment under this Standby Letter of Credit of $ ______________.
2. This original Standby Letter of Credit for endorsement.
   All documents may be forwarded to us by mail, overnight courier, hand delivered to our counters, or
   via telefacsimile ("fax"). Documents to be directed to our counters at: [insert address as to counter
   location]. Drawing presented to us via fax must be sent to our fax number [insert – bank’s fax number]
   (each such drawing, a “Fax Drawing”) provided, however, that Beneficiary confirm our receipt of any
   Fax Drawing by telephone to our telephone No. [insert – bank’s telephone number(s)]. In the event of
   a Fax Drawing, Beneficiary is not required to send us the original documents.

   If Beneficiary presents an improper drawing, we shall notify you in writing sent by overnight courier or
   by fax to (602) 273-4083 that the demand was not effected in accordance with the terms and conditions
   of this Standby Letter of Credit, stating the reasons therefore and that we are holding any demand at
   your disposal. Upon being notified that the purported demand was not effected in conformity with this
   Standby Letter of Credit, you may attempt to correct any such nonconforming demand for payment.

   Partial drawing and multiple presentations are permitted under this Standby Letter of Credit.

   This Standby Letter of Credit will automatically be renewed for a one (1) year period from the Expiration
   Date set forth above and upon each anniversary of such Expiration Date, unless at least sixty (60) days
   prior to such expiration, or prior to any anniversary of such expiration, we notify both Beneficiary and
   Applicant in writing by registered mail or overnight courier that we elect not to renew this Standby Letter
   of Credit.

   We hereby agree that this Standby Letter of Credit shall be duly honored upon presentation and
   delivery of the certification specified above.

   This Standby Letter of Credit is subject to the "International Standby Practices (ISP98)," International
   Chamber of Commerce Publication No. 590, and, as to matters not governed by ISP98, shall be
   governed by and construed in accordance with the laws of Arizona, without regard to principles of
   conflicts of law.

   [Bank]

   By: __________________________________________
   Authorized Signature

Revised 8/2015 - 1195379-1
Compliance with Environmental Laws

Contractor shall, at Contractor’s own expense, comply with all present and subsequently enacted Environmental Laws, and any amendments thereto, affecting Contractor’s occupation and use of the Premises.

E. DEFINITIONS

1. “Environmental Laws” means those laws promulgated for the protection of human health or the environment, including but not limited to, the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA], 42 U.S.C. Sections 9601 et seq., as amended by the Superfund Amendment and Reauthorization Act [SARA]; the Solid Waste Disposal Act [SWDA], 42 U.S.C. Sections 6901 et seq., as amended by the Resource Conservation and Recovery Act [RCRA] including Subtitle I, Underground Storage Tanks; the Toxic Substances Control Act [TSCA], 15 U.S.C. Sections 3001 et seq.; the Public Health Service Act (Title XIV) [PHSA] a.k.a. the Safe Drinking Water Act [SDWA] and SDWA Amendments of 1996, 42 U.S.C. Sections 300f et seq.; the Federal Water Pollution Control Act [FWPCA], as amended by the Clean Water Act, 33 U.S.C. Sections 1251 et seq.; the Clean Air Act, 42 U.S.C. Sections 7412 et seq.; Title 49 of the Arizona Revised Statutes, including the Arizona Environmental Quality Act, A.R.S. Sections 49-101 et seq.; the Arizona Comprehensive Air Quality Act, A.R.S. Sections 49-401 et seq.; the Arizona Solid Waste Management Act, A.R.S. Section 49-701 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Sections 49-901 et seq.; the Arizona Underground Storage Tank Regulation Act, A.R.S. Sections 49-1001 et seq.; the Occupational Safety and Health Act of 1970 as amended, 29 U.S.C. Sections 651-678 and the regulations promulgated thereunder, and, any other laws, regulations and ordinances (whether enacted by local, state or federal government) now in effect or hereafter enacted, that provide for the regulation or protection of human health or the environment, including the ambient air, ground water, surface water, and land use, including substrata soils.

2. In this Contract, the term “regulated substances” means:

a. Those substances identified or listed as a hazardous substance, pollutant, hazardous material, and, petroleum, in CERCLA/SARA; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 5101 et seq.; RCRA, Subtitle I, Regulation of Underground Storage Tanks, 42 U.S.C. Sections 6991 through 6991i; Clean Air Act, 42 U.S.C. Section 7412 et seq.; and in any rule or regulation adopted to implement said statutes.

b. Those substances identified or listed as a hazardous substance, pollutant, toxic
pollutant, petroleum, or as a hazardous, special, or solid waste in the Arizona Environmental Quality Act, A.R.S. Sections 49-101 et seq., including but not limited to, the Water Quality Assurance Revolving Fund Act [WQARF], A.R.S. Sections 49-281 et seq.; the Arizona Comprehensive Air Quality Act, A.R.S. Sections 49-401 et seq.; the Arizona Solid Waste Management Act, A.R.S. Sections 49-701 et seq.; the Arizona Underground Storage Tank Regulation Act, A.R.S. Sections 49-1001 et seq.; A.R.S. Sections 49-851 through 49-868 pertaining to Management of Special Waste; the Arizona Hazardous Waste Management Act, A.R.S. Sections 49-921 et seq.; and in any rule or regulation adopted to implement said statutes.

c. All substances, materials and wastes that are, or that become, regulated, or that otherwise are classified as hazardous or toxic, under any Environmental Law during the term of this Contract.

3. The term “release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

4. As used herein, the term “Premises” means Contractor’s leasehold and/or any part or portion of Phoenix Sky Harbor International Airport (PHX), Phoenix Deer Valley Airport (DVT), Phoenix Goodyear Airport (GYR) or City owned property where Contractor or its employees or agents causes to occur a release of a regulated substance.

5. As used herein, the term “Contractor” means every consultant, lessee, sublessee, licensee, permittee, concessionaire, tenant or other person, firm or corporation occupying or using the Premises pursuant to an agreement and includes Contractor’s heirs, personal representatives, successors-in-interest and assigns.

F. COMPLIANCE

1. Contractor shall not cause or permit any regulated substance to be used, generated, manufactured, produced, stored, brought upon, or released on, or under the Premises, or transported to or from the Premises, by Contractor, its agents, employees, Contractor’s invitees or a third party in a manner that would constitute or result in a violation of any Environmental Law or that would give rise to liability under an Environmental Law.

Contractor may provide for the treatment of certain discharges regulated under the City of Phoenix pretreatment ordinances pursuant to Chapter 28 of the Phoenix City Code or such other ordinances as may be promulgated and the Federal Clean Water Act, 33 U.S.C. Section 1251 et seq.

Contractor shall indemnify, defend and hold harmless, on demand, City of Phoenix (“City”), its successors and assigns, its elected and appointed officials, employees, agents, boards,
commissions, representatives, and attorneys, for, from and against any and all liabilities,

obligations, damages, charges and expenses, penalties, suits, fines, claims, legal and
investigation fees or costs, arising from or related to any claim or action for injury, liability,
breach of warranty or representation, or damage to persons, the environment or Premises

and any and all claims or actions brought by any person, entity or governmental body,
alleging or arising in connection with contamination of, or adverse effects on, human health or
the environment pursuant to any Environmental Law, the common law, or other statute,
ordinance, rule, regulation, judgment or order of any governmental agency or judicial entity,
which are incurred or assessed as a result, whether in part or in whole, of Contractor’s
occupancy or use of the Premises during the term of this Contract or any previous contract or
uses of the Premises by Contractor or its owners or affiliated entities, agents, employees,
invitees, visitors or licensees. Regardless of the date of termination of this Contract,
Contractor’s obligations and liabilities under this Section shall continue so long as City bears
any liability or responsibility under the Environmental Laws arising from Contractor’s
occupancy or use of the Premises during the term of this Contract. This indemnification of
City by Contractor includes, without limitation, costs incurred in connection with any
investigation of site conditions or any cleanup, remedial actions, removal or restoration work
required or conducted by any federal, state or local governmental agency or political
subdivision because of regulated substances caused by Contractor to be present on or under
the Premises or present in the soil or ground water on or under the Premises or present in
surface waters on or adjacent to the Premises.

2. Without limiting the foregoing, if the release by Contractor of any regulated substance
on or under the Premises, or to the air, groundwater or surface waters on or adjacent to the
Premises results in any contamination of the Premises, air, groundwater or surface waters,
Contractor shall promptly take all actions at its sole cost and expense that are necessary to
mitigate any immediate threat to human health or the environment. Contractor shall then
undertake any further action necessary to return the contaminated site to the condition
existing prior to the introduction by Contractor of any regulated substance; provided that
City’s approval of such actions shall first be obtained. Contractor shall undertake such
actions without regard to the potential legal liability of any other person; however, any remedial
activities by Contractor shall not be construed to impair Contractor’s rights, if any, to seek
contribution or indemnity from another person.

3. Contractor shall, at Contractor’s own cost and expense, make all tests, reports, studies
and provide all information to any appropriate governmental agency as may be required
pursuant to the Environmental Laws pertaining to Contractor’s occupancy or use of the
Premises. This obligation includes but is not limited to any requirements for a site
characterization, site assessment and/or remediation plan that may be necessary due to any
actual or potential spills or discharges of regulated substances on, under or from the Premises,
or to the air, groundwater or surface waters on or adjacent to the Premises during the term of
this Contract. At no cost or expense to City, Contractor shall promptly provide all information
requested by City pertaining to the applicability of the Environmental Laws to the Premises, to respond to any governmental investigation, or to respond to any claim of liability by third parties which is related to environmental contamination.

In addition, City shall have the right to inspect, within ten (10) days of Contractor’s receipt of written request, and copy any and all records, test results, studies and/or other documentation, other than trade secrets and legally privileged documents, regarding environmental conditions relating to the use, storage, or treatment of regulated substances by Contractor on, under or from the Premises or to the air, groundwater or surface waters on or adjacent to the Premises.

4. Contractor shall notify the Aviation Director within twenty-four (24) hours upon learning of the following:

   a. Any correspondence or communication from any governmental agency regarding the application of Environmental Laws to the Premises or Contractor’s occupancy or use of the Premises;

   b. Any change in Contractor’s activities on the Premises that will change or have the potential to change Contractor’s or City’s obligations or liabilities under Environmental Laws;

   c. Any assertion of a claim or other occurrence for which Contractor may incur an obligation under this Section.

5. Contractor shall at its own expense obtain and comply with any permits or approvals that are required or may become required as result of any occupancy or use of the Premises by Contractor, its agents, employees, invitees and assigns.

6. Contractor shall insert the provisions of this Exhibit in any agreement or contract by which it grants a right or privilege to any person, firm or corporation under this Contract.

7. Contractor shall obtain and maintain compliance with any applicable financial responsibility requirements of federal, state and/or local law regarding the ownership or operation of any underground storage tank(s) or any device used for the treatment or storage of a regulated substance and present evidence thereof to the City, as may be applicable.

8. Contractor shall take reasonable precautions to prevent other persons not acting under Contractor’s authority from conducting any activity that would result in the release of a regulated substance on, under or from the Premises or to the air, groundwater or surface waters on or adjacent to the Premises. Contractor shall also exercise due care with respect to any regulated substance that may come to be located on the Premises as a result of the actions of third parties who are not under Contractor’s authority.
9. Contractor shall make its best efforts to minimize its production of a waste stream that includes regulated substances, and shall minimize the storage of regulated substances on, in and around the Premises.

G. TERMINATION OF AGREEMENT

Contractor’s failure or the failure of its agents, employees, contractors, invitees or of a third party to comply with any of the requirements and obligations of this Exhibit or applicable Environmental Law shall constitute a material breach of this Contract and shall permit the City to pursue the following remedies, in addition to all other rights and remedies provided by law or otherwise provided for in this Contract, to which the City may resort cumulatively, or in the alternative:

1. The City of Phoenix may, at the City’s election, keep this Contract in effect and enforce all of its rights and remedies under the Contract, including (1) the right to recover rent and other sums as they become due by appropriate legal action and/or (2) the right, upon ten (10) day’s written notice to Contractor, to make payments required of Contractor or perform Contractor’s obligations and be reimbursed by Contractor for the cost thereof, unless such payment is made or obligation performed by Contractor within such ten (10) day period.

2. The City of Phoenix may, at the City’s election, terminate this Contract upon written notice to Contractor. Upon the City’s termination, Contractor shall immediately pay to the City an amount equal to all accrued but unpaid rents plus interest thereon calculated from the date the rent is past due at a rate equal to: (1) eighteen percent (18%) per annum or (2) the maximum interest rate permitted by state law, whichever is greater.

3. Notwithstanding any other provision in this Contract to the contrary, the City shall have the right of “self-help” or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Laws on, under or from the Premises or in surface waters on or adjacent to the Premises, without waiving any of its rights under this Contract.

4. The exercise by the City of any of its rights under Section C of this Exhibit shall not release Contractor from any obligation it would otherwise have under this Exhibit.

5. The covenants of this Exhibit shall survive the termination of this Contract.

H. AZPDES STORMWATER GENERAL PERMIT COMPLIANCE SUPPLEMENT

Contractor shall also comply with the attached AZPDES Stormwater General Permit Compliance Supplement to this Exhibit as if the Supplement is fully set forth herein.

Revised April 4, 2012
968986
With the exception of discharges on Indian Country, stormwater discharges in Arizona are regulated by the Arizona Department of Environmental Quality through the Arizona Pollutant Discharge Elimination System (AZPDES) program. An AZPDES permit is required for any point source discharge of pollutants to waters of the United States. Because stormwater runoff can transport pollutants to either a municipal separate storm sewer system (MS4) or to waters of the United States, AZPDES permits are required for stormwater discharges.

The City of Phoenix (the “City”) and its Contractors are required to obtain AZPDES permit coverage to the extent that stormwater is discharged from the Premises. Coverage under the AZPDES General Permit for Discharges from Construction Activities to Waters of the United States (AZG2008-001) ("AZPDES Construction General Permit") is required for stormwater discharges generated by construction activities. Coverage under the AZPDES General Permit for Stormwater Discharges Associated with Industrial Activity from Non-Mining Facilities to Waters of the United States (AZMSG2010-002) (“AZPDES Multi-Sector General Permit”) is required for stormwater discharges generated by facilities and operations engaged in certain industrial activities. Among these industries are those engaged in “air transportation” and associated activities.

The City has obtained coverage under the AZPDES Multi-Sector General Permit for its “air transportation” facilities at Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and Phoenix Goodyear Airport (collectively hereinafter referred to as the “Airports”). The City has adopted a Stormwater Quality Protection ordinance, Phoenix City Code Ch. 32C, and has in place an “Aviation Department Stormwater Enforcement Procedures and Civil Penalty Policy” (“Aviation Stormwater Policy”), both of which were developed to comply with federal and local laws governing stormwater pollution.

Compliance Generally

The City adopted the Aviation Stormwater Policy to achieve compliance with the AZPDES program requirements by the Aviation Department, its contractors and permittees. Contractor is subject to the policy as a condition of its activities, operations, and location at the Airports. The City shall have the right to monitor and require compliance with the Aviation Stormwater Policy.

Contractor agrees to comply with the Aviation Stormwater Policy and to implement at its sole expense, unless otherwise agreed to in writing between City and Contractor, those requirements of the Airports’ Stormwater Pollution Prevention Plans (SWPPP) and City ordinances that pertain to its operations and activities on the Premises at the Airports. Contractor warrants that it will use its best efforts to meet all deadlines that are established by
statute, regulation, ordinance, and the Aviation Stormwater Policy, or that are agreed to by the parties. Contractor acknowledges that time is of the essence in the implementation of all City Permit requirements.

Full compliance with the AZPDES Permit Program as contained in 18 A.A.C. 9, Art. 9; Chapter 32(C) of the Phoenix City Code; and the Aviation Stormwater Policy is a material condition of this Contract, and for any breach thereof which exposes City to civil or criminal fine, penalty, sanction or remediation cost by any governmental entity, City may terminate this Contract. This remedy is in addition to any other remedies available to the City.

AZPDES Construction General Permit

If Contractor elects to perform construction activities at the Airports, Contractor is required, prior to commencing those construction activities, to obtain stormwater discharge authorization from ADEQ under an AZPDES Construction General Permit. Contractor will obtain that authorization by preparing a SWPPP and filing for AZPDES Construction General Permit coverage in coordination with the City’s project manager. The City will consult with and assist Contractor with regard to the filing for AZPDES Construction General Permit coverage as time and personnel allow. Contractor will also work with the City’s project manager to develop pollution controls (e.g., Best Management Practices, Control Measures, schedules and procedures) for the SWPPP. Contractor is solely responsible for implementation of the pollution controls, all related costs and compliance with its AZPDES Construction General Permit obligations.

AZPDES Multi-Sector General Permit

Contractor is required, prior to commencing its operations and activities at the Airports, to obtain stormwater discharge authorization from the ADEQ under an AZPDES Multi-Sector General Permit. Contractor will obtain that authorization as a “Co-Permittee” with the City. As a Co-Permittee, the Contractor agrees to:

  c. Provide the City with a copy of Contractor’s written Authorization to Discharge to the extent Contractor has received such from the Arizona Department of Environmental Quality; and

  d. Implement the Airports’ SWPPP, including Best Management Practices, Control Measures, schedules, and procedures, as applicable to the Contractor’s operations.

In connection with its coverage under the AZPDES Multi-Sector General Permit, the City has developed a SWPPP for the Airports to minimize the contact of storm and other precipitation event water with “significant materials” (as defined in the Regulations and City Ordinances) generated, stored, handled or otherwise used on Airport facilities. The City shall provide a copy of the SWPPP, including Best Management Practices, Control Measures, schedules, and procedures to Contractor, and Contractor shall implement that portion of the SWPPP applicable to its activities.
The City agrees that, to the extent allowed by law, Contractor shall have the right to be removed as a Co-Permittee from coverage under the AZPDES Multi-Sector General Permit should its Contract be canceled or terminated for other reasons, or due to Contractor's relocation, noncompliance with the AZPDES Multi-Sector General Permit requirements or Contractor's exercise of choice. In no event shall Contractor be relieved of its obligation to comply with the requirements of the AZPDES permit program with regard to its occupation and use of the Premises at the Airports, nor shall Contractor be excused from any obligations or indemnifications incurred and owed to City prior to Contractor's removal as a Co-Permittee that result from a failure of Contractor to fulfill an obligation of a Co-Permittee.

**Pollution Controls**

City reserves the right to impose upon Contractor any Best Management Practices, Control Measures, schedules, and procedures, other action necessary to ensure City's ability to comply with its AZPDES program requirements or applicable City ordinances; however, except in "extreme emergency" conditions, Contractor shall have ten (10) days from date of receipt of written notice imposing such pollution control measures or other requirements to notify City in writing if it objects to any action it is being directed to undertake. If Contractor does not provide the specified timely notice, it will be deemed to have assented to implementation of the pollution control measures or other requirements. If Contractor provides City with timely written notice of its objections, the parties agree to negotiate a prompt resolution of their differences. Contractor warrants that it will not serve a written notice of objections for purposes of delay or avoiding compliance.

As used herein, "extreme emergency conditions" means:

- **d.** Conditions that impose an immediate impact on waters of the United States (e.g., Salt River) resulting from an emergency situation such as fire, spill, release or explosion, such that the facility responsible for the release must immediately begin appropriate response activities independently of City's direction or oversight;

- **e.** An emergency such that a facility has to close because of a catastrophic event, where the facility can extend the ten (10) day notice period, but must implement pollution control measures before it reopens;

- **f.** A collapse of the storm sewer system or other event which forecloses the Airports and/or City from performing its obligations under the City Permit due to lack of capacity.

**Covenant of Good Faith**

City and Contractor covenant to act in good faith to implement any AZPDES program requirements imposed on them pursuant to 18 A.A.C. 9, Art. 9. City and Contractor acknowledge that close cooperation will be necessary to ensure compliance with any AZPDES Multi-Sector General Permit requirements to promote safety and minimize costs,
and each party agrees to a candid exchange of information necessary to coordinate a stormwater management and monitoring plan.

**Indemnification**

The covenants of insurance and indemnification in favor of City imposed by other provisions of the Contract shall extend to, and are incorporated into, the provisions of this Supplement to Exhibit 7.

Revised April 4, 2012

968985
Supplemental Terms and Conditions to All Airport Agreements

A. Definitions

1. "Airport" means Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and/or Phoenix Goodyear Airport, in accordance with the context of the contract.

2. "Contract" includes any and all City of Phoenix Aviation Department contracts, subcontracts, agreements, leases, subleases, licenses, permits, concessions or other documents, however denominated that grant or convey a right or privilege on an Airport, and to which this Exhibit is annexed and made a part thereof.

3. "Contractor" means every lessee, sublessee, licensee, permittee, concessionaire or other person, firm or corporation exercising a right or privilege on an airport pursuant to a contract, and includes Contractor's heirs, personal representatives, successors-in-interest and assigns.

4. "Premises" means the leasehold or site occupied by Contractor pursuant to the lease, license or permit that is the subject of this Contract.

B. Assurances

1. Contractor shall furnish its services on a fair, equal and not unjustly discriminatory basis to all users of the Airport.

2. Contractor shall charge fair, reasonable and not unjustly discriminatory prices for each unit or services; provided that, Contractor may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers. Non-compliance with this requirement shall be a material breach of this Contract for which the City of Phoenix shall have the right to terminate this Contract and any estate created herewith, without liability therefor; or, at the election of the City of Phoenix or the United States, either or both of said Governments shall have the right to judicially enforce said requirement.

3. Contractor warrants that no person shall, on the grounds of race, creed, color, national origin, sex, age or disability, be excluded from participating in any activity conducted on or from the Premises, or otherwise be excluded from the benefits offered by Contractor to the general public. Contractor further warrants that it will comply with all pertinent statutes, Executive Orders, and rules promulgated thereunder, to assure that no person is excluded on the grounds of race, creed, color, national origin, sex, age, or disability, including, without limitation, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990.
4. As a part of the consideration for this Contract, Contractor does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the

Premises for a purpose for which a DOT program or activity is extended for another purpose involving the provision of similar services or benefits, Contractor shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Code of Federal Regulations, Title 49, DOT, Subtitle A, Office of the Secretary of Transportation, Part 21-Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations exist and may be amended from time-to-time.

If this Contract is a lease, then this Covenant is hereby made a covenant running with the land for the term of the lease, and is judicially enforceable by the United States.

5. As a part of the consideration of the Contract, Contractor does hereby covenant and agree that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) in the construction of any improvements on, over or under such Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and that the contractor shall use the Premises in accordance with all other requirements imposed pursuant to 49 C.F.R. Part 21, as it may be amended.

If this Contract is a lease, then this Covenant is hereby made a covenant running with the land for the term of the lease, and is judicially enforceable by the United States.

6. The foregoing discrimination covenants are a material part of this Contract and for breach thereof the City of Phoenix shall have the right to terminate this Contract and to reenter and repossess the Premises and facilities thereon, and hold the same as if said Contract had never been made. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

7. Contractor agrees to insert the foregoing six provisions in any contract by which Contractor grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on or from the Premises.

8. Contractor agrees that it will undertake an affirmative action plan in conformance with 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, contracting or leasing activities covered in 14 CFR Part 152, Subpart E. Contractor assures that no person will be excluded on such grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Contractor further agrees that it will require its covered suborganizations to provide assurances to Contractor that they similarly will undertake affirmative action programs and that they will require like assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E.
9. City of Phoenix reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may reasonably see fit, free from any and all liability to Contractor for loss of business or damages of any nature whatsoever to Contractor occasioned during the making of such improvements, repairs, alterations and additions.

10. The City of Phoenix reserves the right, but is in no way obligated to Contractor, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Contractor in this regard.

11. Contractor acknowledges that this Contract is subordinate to any existing or future agreement between the City of Phoenix and the United States concerning the development, operation or maintenance of the Airport. In the event that FAA or its successors require modifications or changes in the Contract as a condition to the obtaining of funds for improvements at the Airport or as a requirement of any prior grants, Contractor hereby consents to any and all such modifications and changes as may be reasonably required and agrees that it will adopt any such modifications or changes as part of this Contract.

12. The Contract is subordinate to the reserved right of the City of Phoenix, its successors and assigns, to occupy and use for the benefit of the public the airspace above the Premises for the right of flight for the passage of aircraft. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft through said airspace or in landing at or taking off from, or operation on an Airport.

13. Contractor agrees to comply with the notification and review requirements as required by Title 14 of the Code of Federal Regulations, 14 CFR Part 77- Objects Affecting Navigable Airspace, in the event future construction of a structure is planned for the Premises, or in the event of a planned modification of a structure on the Premises. Contractor shall submit the required FAA Form 7460-1— Notice of Proposed Construction or Alteration—and provide documentation showing compliance with the federal requirements. Once the FAA has completed the aeronautical study, Contractor shall provide to the City of Phoenix the FAA determination letter on proposed construction and any impact to air navigation. Contractor covenants for itself, its successors and assigns that it will not erect or permit the erection of any structure or permit the growth of any tree, on the Premises above the mean sea level elevation for: (1) Phoenix Sky Harbor International Airport, 1,133 feet; (2) Phoenix Goodyear Airport, 968 feet; (3) Phoenix Deer Valley Airport, 1,476 feet. As a remedy for the breach of said covenant the City of Phoenix reserves the right to enter upon the Premises and remove the offending structure or cut the offending tree, all at the expense of Contractor.

14. Contractor, by accepting this Contract, covenants for itself, its successors and assigns that no use will be made of the Premises that might in any manner interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard to air navigation. As a remedy for the breach of said covenant the City of Phoenix reserves the right to enter upon the Premises and cause the abatement of such interference, all at the expense of Contractor.
15. Contractor acknowledges that nothing contained in this Contract shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e).

16. This Contract and all the provisions hereof are subordinate to whatever rights the United States now has or in the future may acquire affecting the control, operation, regulation and taking-over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during a time of war or national emergency.

17. If the Contract involves construction, the contractor shall carry out the project in accordance with FAA airport design, construction and equipment standards and specifications current on the date of project approval.

18. Contractor is encouraged to use fuel and energy conservation practices.

C. City of Phoenix Equal Employment Opportunity Requirement

4. If Contractor is by this Contract a supplier to, or lessee of, the City, then the requirements of the Phoenix City Code, Chapter 18, Article V applies, including the agreement that:

   “Any supplier/lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee shall ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and shall adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract.”

Supplier/lessee further agrees that this clause will be incorporated in all subcontracts, job-consultant agreements or subleases of this agreement entered into by supplier/lessee.

If the supplier/lessee employs more than thirty-five employees, the following language shall be included as the last paragraph to the clause above:

   “The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual
orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.”

5. **Documentation.** Suppliers and lessees may be required to provide additional documentation to the Equal Opportunity Department affirming that a nondiscriminatory policy is being utilized.

6. **Monitoring.** The Equal Opportunity Department shall monitor the employment policies and practices of suppliers and lessees subject to this article as deemed necessary. The Equal Opportunity Department is authorized to conduct on-site compliance reviews of selected firms, which may include an audit of personnel and payroll records, if necessary.

D. **Immigration Reform and Control Act of 1986 (IRCA)**

Contractor understands and acknowledges the applicability of the IRCA to it. Contractor agrees to comply with the provisions of IRCA as it applies to its activities under this Contract and to permit the City of Phoenix to inspect its personnel records to verify such compliance.

E. **Conflict of Interest**

Contractor acknowledges that the terms and conditions of Arizona Revised Statutes (A.R.S.) § 38-511 are incorporated into this Contract.

F. **Legal Worker Requirements**

The City is prohibited by A.R.S. § 41-4401 from awarding an agreement to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees that:

1. Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A.

2. A breach of warranty under paragraph 1 shall be deemed a material breach of the Agreement and is subject to penalties up to and including termination of the Agreement.

3. The City retains the legal right to inspect the papers of the Contractor or subcontractor employee(s) who work(s) on this Agreement to ensure that Contractor or subcontractor is complying with the warranty under paragraph 1.

G. **Disadvantaged Business Enterprise Requirements**

1. To the extent that this Contract is covered by 49 CFR Part 26, Contractor agrees that this Contract is subject to the requirements of the U.S. Department of Transportation Regulations at 49 CFR Part 26. The Contractor or subcontractor shall not discriminate on
the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

Contractor agrees to include the foregoing statement in any subsequent Contract that it enters and cause those businesses to similarly include said statement in further agreements.

3. To the extent that the Contract is a concession agreement covered by 49 CFR Part 23, the concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner’s race, color, national origin, or sex in 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.

The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.
EXHIBIT 9 - D

Retail Operating and Service Standards Manual

Section 1 – Cleanliness Standards
Section 2 – Premises Standards
Section 3 – Storage Space / Delivery Standards
Section 4 – Information, Directions & Signs Standards
Section 5 – Employee Standards
Section 6 – Operational Standards

Section 1 - Cleanliness Standards

1.1 All Premises shall be kept clean and well-maintained at all times.
1.2 All garbage shall be removed from counters within five (5) minutes.
1.3 Carpeting shall be vacuumed or cleaned daily or immediately when soiled.
1.4 Entrance doors, glass windows and display cases shall be clean and free of smears, smudges, and dirt.
1.5 Sales and cashier areas shall be clean and organized.
1.6 Light fixtures and their attachments shall be kept clean and free of dust.
1.7 Delivery palettes and milk crates shall be neatly stacked/organized (while on loading dock or outside the Premises) between deliveries.
1.8 All cardboard boxes shall be broken down and placed within the designated cardboard receptacles.
1.9 Hallways, elevators and areas around the Premises shall be free of Lessee-generated garbage.
1.10 Garbage shall be disposed of by placing accumulated garbage in Lessor-provided garbage compactor(s) and compacted.
1.11 Air conditioning, heating registers, and vents shall be clean.
Section 2 - Premises Standards

2.17 Floors within the Premises shall be free of garbage, stains, holes, potential trip hazards and shall be clean and well-maintained.

2.18 All tables, chairs, booths, display cases, and fixtures shall be in good condition with no broken pieces, deep scratches or graffiti.

2.19 All walls, ceilings, glass surfaces and fixtures shall be free of dust, stains, and well maintained.

2.20 All lights shall be in working order with burned out bulbs replaced within 24 hours.

2.21 Shipping materials, packaging, and delivery carts shall be stored out of the passenger’s view when not in use.

2.22 Cleaning supplies and equipment shall be stored out of the public view.

2.23 Closet doors shall be kept closed.

2.24 The personal belongings of employees shall not be in the public view.

2.25 All entrances to the concession units shall be free from obstruction(s), including concession merchandise including any loading and unloading conveyance, sales/advertising stanchions, and Lessee-generated garbage.

2.26 Lessee-provided air conditioning and heating units shall be maintained as required.

2.27 If music is played in the concession unit, volume levels shall be appropriately set.

Section 3 - Storage Space / Delivery Standards

3.4 Products and merchandise stocked in Lessee’s support space shall not block doors, electrical panels or hinder the fire suppression system.

3.5 Lessee shall not erect walls within the storage space to create office space, private storage or additionally secured areas without Aviation approval.

3.6 Lessee shall be responsible for communicating with Lessor’s Operations Division to make arrangements for escorting deliveries to F&B concession units located post-security, if necessary.
Section 4 - Information, Directions and Signs Standards

4.9 Store policies pertaining to credit cards, returns/refunds, shall be clearly displayed.

4.10 Clearly display a toll-free number for customer complaints or customer compliments.

4.11 Hours of operation shall be fully displayed.

4.12 Handwritten and unprofessional signs shall not be used.

4.13 Illuminated signs shall be in proper working condition.

4.14 All signage/postings shall comply with Exhibit 3 of the Lease.

4.15 All necessary licenses, permits, notices and inspection certificates on the Premises will be clearly displayed.

Section 5 - Employee Standards

Employees shall:

5.16 Project a friendly and attentive demeanor, and have a positive attitude towards customers and fellow employees at all times.

5.17 Provide appropriate attention to customers ordering, asking questions, or needing assistance and not gather to chat while on duty.

5.18 Make every effort to satisfy a customer’s needs, even when those needs are outside the employee’s scope of work.

5.19 Maintain appropriate eye contact and a pleasant tone of voice while conversing with customers and fellow employees.

5.20 Provide each customer with correct change, a receipt, and a “thank you.”

5.21 Be well informed, capable of providing directions and knowledgeable about where and how to obtain requested information or service for customers.

5.22 Remain calm when encountering an upset customer, try to calm the customer, listen carefully and show empathy with the customer’s problem. When encountering a dissatisfied customer, employees should obtain the facts; state any applicable policy clearly and politely; and be able to offer a solution or an adequate alternative to the customer. If unable to satisfy the customer or resolve the issue, employees shall direct the customer to the immediate supervisor.
5.23 Be trained on how to obtain assistance to resolve customer questions, address language barriers, and respond to medical and operational emergencies.

5.24 Refrain from using foul or inappropriate language at all times.

Employees shall not:

5.25 Eat, drink or chew gum in the view of customers.

5.26 Sleep on duty or in a public area.

5.27 Use cell phones and personal music devices while on duty.

5.28 Wear sunglasses indoors while on duty, unless medically required and accompanied by a doctor’s note.

Section 6 – Operational Standards

6.9 Employees have sufficient cash available immediately upon opening to make change for early morning sales.

6.10 All complaints be dealt with promptly and documented appropriately.

6.11 Food service preparation must comply with all applicable regulations, including those established by the Maricopa County Health Services Department (MCESD).

6.12 All food merchandisers and related equipment shall be in good working order maintaining the hot or cool temperature, as necessary, in accordance with MCESD.

6.13 All food used for display purposes shall be rotated daily.

6.14 All prepackaged food items shall be labeled with an “expiration date.” No items shall be offered for sale or remain on shelves after the expiration dates and times.

6.15 Lessee shall make every attempt to ensure all menu items are available, where applicable.

6.16 Hot food shall be delivered hot and cold food shall be delivered cold.
SECTION I  DEFINITIONS

The following definitions shall apply to this Exhibit, Airport Concession Disadvantaged Business Enterprise (ACDBE) Program Race- and Gender-Neutral Lease Clause:

**Airport Concession Disadvantaged Business Enterprise (ACDBE)** means a firm that has been granted ACDBE certification status by the City acting as a member of the Arizona Unified Certification Program pursuant to the criteria contained in 49 Code of Federal Regulations (CFR) Parts 23 and 26.

**Arizona Unified Certification Program (AZUCP)** is a consortium of government agencies organized to provide reciprocal ACDBE and DBE certification within Arizona pursuant to 49 CFR Part 26. The official ACDBE and DBE database containing eligible ACDBE and DBE firms certified by AZUCP can be accessed at: www.adot.dbesystem.com. The certification system is called the Arizona Unified Transportation Registration and Certification System (AZ UTRACS).

**City** means the City of Phoenix.

**Commercially Useful Function** means that an ACDBE or DBE is responsible for executing the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. If an ACDBE or DBE does not perform or exercise responsibility for at least 30% of the total cost of the contract with its own work force, or if the ACDBE or DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, the ACDBE or DBE is presumed not to be performing a Commercially Useful Function.

**Compliance Specialist** means a City employee responsible for compliance with this Lease Clause.

**Concession** means a business that primarily serves the public on an airport. This includes direct sales or services, management contracts, advertising contracts and goods and services providers.

**Contract** is a written agreement between any of the following parties: Respondent and JV partner, sublessee, subcontractor, or a Goods and Services Provider.

**DBE** stands for disadvantaged business enterprise. In this context, DBE means a Small Business Concern that has successfully completed the DBE certification process and has been granted DBE status by an AZUCP member pursuant to the criteria contained in 49 CFR Part 26.

**EOD** means the City of Phoenix Equal Opportunity Department.

**Goods and Services Providers** are firms that provide goods and services that represent a Commercially Useful Function directly to airport concessionaires as an ACDBE, DBE or small business.
Joint Venture (JV) means an association between two or more persons, partnerships, corporations, or any combination thereof, formed to carry on a single business activity. For purposes of this Lease Clause, one participant in the JV arrangement must be a certified ACDBE or DBE by an AZUCP member. The JV is limited in scope and duration to this Lease. The resources, asset and labor of the participants must be combined in an effort to accrue profit.

Lease is a written agreement for a direct concession opportunity with the City.

Outreach Efforts means the diligent and good-faith efforts demonstrated by a Respondent to solicit participation from interested and qualified ACDBEs, DBEs and other Small Businesses. Respondent shall: identify and document potential business opportunities for ACDBEs, DBEs and other Small Businesses; describe what efforts were undertaken to solicit ACDBE, DBE and Small Business participation; disclose results of negotiations with ACDBEs, DBEs and Small Businesses; and communicate and record Respondent’s selection decisions relating to ACDBE, DBE and Small Business participants.

Respondent means an individual, partnership, JV, corporation or firm that submits a Response to the City to perform services requested by a RCS.

Response is a written proposal to the City prepared by a Respondent to perform services.

Revenue Contract Solicitation (RCS) is a solicitation or procurement issued by the City.

Race-and-Gender-Neutral (RGN) Measures means effort(s) or program(s) that is, or can be, used to assist all Small Businesses, in the absence of a goal.

Small Business means, with respect to firms seeking to participate as ACDBEs or DBEs in contracts funded by the U.S. Department of Transportation (US DOT), a Small Business Concern as defined in section 3 of the Small Business Act and Small Business Administration regulations implementing the Act (13 CFR part 121), which Small Business Concern does not exceed the cap on average annual gross receipts specified in 49 CFR § 26.65(b) and self-identified small businesses. “Small Business” and “Small Business Concern” are used interchangeably in this Lease Clause.

Subcontractor means an individual, partnership, JV, corporation or firm that holds a contract at any tier below the Lease, including a vendor under a purchase order.

Sublease is an agreement between the Respondent and another entity or entities [sublessee(s)].

Successful Respondent means an individual, corporation, firm or JV that has been selected by the City to perform services requested by a RCS.

SECTION II GENERAL REQUIREMENTS

A. Applicable Federal Regulations. This Lease is subject to ACDBE requirements issued by USDOT in 49 CFR Parts 26 and 23. Despite the lack of a race- and gender-conscious ACDBE participation goal
for this Lease, the Agency must track and report ACDBE and DBE participation that occurs as a result of any procurement, JV, goods/services, or other arrangement involving an ACDBE or DBE. For this reason, the Successful Respondent shall provide all relevant information to enable the required reporting.

B. **ACDBE Participation.** For this solicitation, the City has *not* established a race- or gender-conscious ACDBE participation goal. The City extends to each individual, firm, vendor, supplier, contractor, and subcontractor an equal economic opportunity to compete for business. The City uses race- and gender-neutral measures to facilitate participation by ACDBEs, DBEs and Small Businesses. The City encourages each Respondent to voluntarily subcontract or joint venture with ACDBEs, DBEs and Small Businesses to perform part of the work—a Commercially Useful Function—that Respondent might otherwise perform with its own forces. The City also encourages each Respondent to voluntarily utilize ACDBE’s DBEs and Small Business Concerns as suppliers of Goods and Services. The City also encourages each Respondent to voluntarily utilize ACDBE’s DBEs and Small Business Concerns as Suppliers of Goods and Services.

C. **Counting DBE Participation.** The City will count ACDBE and DBE participation as authorized by federal regulations. A summary of these regulations can be found at [www.phoenix.gov/eod](http://www.phoenix.gov/eod).

D. **ACDBE and DBE Certification.** Only firms (1) certified by the City or another AZUCP member, and (2) contracted to perform a Commercially Useful Function on scopes of work for which they are certified, may be considered to determine ACDBE and DBE participation resulting from RGN measures on this Lease. This ACDBE and DBE determination affects the City’s tracking and reporting obligations to USDOT.

E. **Civil Rights Assurances.** As a recipient of USDOT funding, the City has agreed to abide by the assurances found in 49 CFR Parts 21 and 26. Each Lease signed by the City and the Successful Respondent, and each Subcontract signed by the Successful Respondent and a Subcontractor, must include the following assurance *verbatim*:

> “The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, sex, or creed in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Parts 21 and 23 in the award and administration of USDOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the City of Phoenix deems appropriate.”

Note: For purposes of the required Contract and Subcontract language above, the Successful Respondent is the “contractor.”

**SECTION III REQUIRED OUTREACH EFFORTS**

The City has implemented outreach requirements for this Lease. Specifically, each Respondent shall: (1) identify small-business-participation opportunities, including Commercially Useful Functions; (2) actively solicit proposals from small businesses; (3) evaluate small-business proposals; and (4) communicate selection decisions to small businesses, including each rejection of a small-business proposal. If a
Respondent fails to conduct these Outreach Efforts or fails to submit the required documentation of Respondent’s Outreach Efforts as indicated in Section IV, Parts A, B and C below, the City may determine that the Respondent’s proposal is nonresponsive. A determination of nonresponsiveness disqualifies Respondent from further consideration for the Lease award.

SECTION IV SUBMITTAL REQUIREMENTS

Attachments C-A and C-B, along with supporting documentation for Attachment C-A are due with the Response.

F. Attachment C-A. Each Respondent shall complete and submit Attachment C-A documenting its diligent, good-faith Outreach Efforts.

a. Each Respondent shall list in Attachment C-A all ACDBEs, DBEs and Small Businesses contacted by Respondent in preparing its Response. Each Respondent shall also provide the following minimum information to document its Outreach Efforts. The Compliance Specialist will consider this information to determine whether Respondent has demonstrated the required Outreach Efforts:

   g. Each business’s full legal name and contact information;
   h. Business status (ACDBE, DBE, Small Business, SBE, or unknown);
   i. Scope of work solicited (brief description, percentage of contract value);
   j. Solicitation method (personal contact, telephone, fax, e-mail, other);
   k. Selection process; and
   l. Communication of selection outcome to each participant.*

   *Respondent shall provide supporting documentation that shows Respondent has communicated its final selection decisions and outcomes to all ACDBEs, DBEs and Small Businesses not chosen to participate in this Lease.

b. Each Respondent shall complete Attachment C-A in accordance with the following instructions.

   g. Each Respondent shall actively contact ACDBEs, DBEs or Small Businesses for each scope of work or business opportunity selected for Outreach Efforts (Columns A and C).
   h. Respondent’s contacts with ACDBE’s, DBEs and Small Businesses should occur well before the Response deadline to afford the firms contacted a reasonable opportunity to prepare a proposal and participate in the Lease.
   i. Respondent shall ask each firm to indicate the number of its employees (Column A).
   j. For each ACDBE’s, DBE’s or Small Business’s annual gross receipts, Respondent shall ask the firm to indicate the gross-receipts bracket into which it fits (e.g., less than $500,000; $500,000 – $1 million; $1 – 2 million; $2 – 5 million; etc.) rather than requesting an exact figure from the firm (Column A).
   k. If Respondent does not select an ACDBE, DBE or Small Business to participate in the Lease, Respondent shall explain the reason why (Column E).
   l. Respondent shall notify each ACDBE, DBE or Small Business contacted whether or not Respondent selected the firm. Respondent shall notify all firms not selected, and Respondent
shall state when (date) and how (method) the selection outcome was communicated to each firm (Column F).

G. **Attachment C-A Supporting Documentation.** Each Respondent shall complete and submit supporting documentation of its Outreach Efforts related to Attachment C-A.

   c. Respondent shall submit with Attachment C-A all supporting documentation of Respondent’s contacts with ACDBEs, DBEs or Small Businesses for each scope of work or business opportunity selected for Outreach Efforts.

   d. This documentation must include: (1) descriptions of scopes of work and business opportunities identified for ACDBEs, DBE and Small Business participation, and (2) a copy of the actual solicitation sent to interested ACDBEs, DBEs and Small Businesses. The solicitation may be in the form of a letter, attachment to an e-mail, advertisements in newspapers and trade papers, or written communications with chambers of commerce and/or other organizations.

   e. Respondent shall submit documentation that establishes how Respondent communicated its selection decisions and outcomes to each ACDBE, DBE and Small Businesses not selected for this Lease. This documentation may be in the form of a letter, e-mail, fax, or a telephone log and must show the name of the person contacted and date.

   f. For all of the above documentation, if Respondent uses a blast e-mail or fax format, the documentation submitted must include the a copy of the e-mail or fax, and Respondent must disclose all e-mail addresses and fax numbers to which the solicitation or outcome notification was sent and the date and time of the transmission. For telephone contacts, Respondent shall document the date and time of the call and the names of the respective persons representing Respondent and the ACDBE, DBE or Small Business.

H. **Attachment C-B.** Respondent shall sign and submit Attachment C-B, which commits Respondent to the City as follows:

   g. The firms indicated as “selected” in Attachment C-A will participate in the Lease;

   h. The Respondent will comply with the Race- and Gender-Neutral post-award requirements as stated in Sections V and VI below;

   i. Any and all changes or substitutions will be authorized by the Compliance Specialist before implementation; and

   j. The proposed total Small Business participation percentage is true and correct. Respondent shall ensure that the percentages proposed for Small Business participation on Attachment C-A equal the total percentage proposed in Attachment C-B.

I. **Failure To Meet Outreach Requirements.** The Compliance Specialist will determine, in writing, whether Respondent has satisfied all outreach requirements. If the Compliance Specialist determines that Respondent has failed to satisfy the outreach requirements (specified in Sections III and IV, Parts A, B, and C), then the Compliance Specialist may determine that the Response is nonresponsive. A determination of nonresponsiveness *disqualifies* Respondent from further consideration for the Lease.
award. The City shall send written notice to Respondent stating the basis for the Compliance Specialist’s decision.

J. **ACDBE Administrative Reconsideration.** If the Compliance Specialist determines that Respondent failed to submit required documentation to meet the stated outreach requirements in Section III, the City will permit Respondent to request EOD to reconsider this determination in accordance with the Protest provisions in this RCS. In its request for reconsideration, Respondent may clarify its Response. But Respondent may not submit or refer to new or revised documents or information. City will only reconsider the original Response as clarified in the request for reconsideration.

If Respondent requests EOD to reconsider the Compliance Specialist’s determination of nonresponsiveness based on insufficient demonstration of Outreach Efforts, Respondent must provide written notice to the City within the time period for adverse determinations as provided in Section (V) (K).

The ACDBE Administrative Reconsideration period is concurrent with the protest period outlined in this solicitation.

**SECTION V POST-AWARD GENERAL REQUIREMENTS**

A. **Subcontracting Commitment.** Promptly after Lease award, the Successful Respondent shall submit to City copies of all executed contracts, purchase orders, subleases, JV agreements, and other arrangements formalizing agreements between Successful Respondent and any ACDBE, DBE or Small Business.

The Successful Respondent shall not terminate any ACDBE, DBE or Small Business Subcontracts, and the Successful Respondent shall not alter the scope of work or reduce the Subcontract amount, without the Compliance Specialist’s prior written approval. Any request to alter an ACDBE, DBE or Small Business Subcontract must be submitted in writing to the Compliance Specialist, before any change is made. If the Successful Respondent fails to do so, the City may declare the Successful Respondent in breach of the Lease.

B. **Post-Award Relief From DBE Requirements.** After Lease award, the City will not grant relief from the proposed ACDBE, DBE or Small Business utilization except in extraordinary circumstances. The Successful Respondent’s request to modify ACDBE, DBE or Small Business participation must be in writing to the Compliance Specialist, who has final discretion and authority to determine if the request should be granted.

The Successful Respondent’s waiver request must contain the amount of relief being sought, evidence demonstrating why the relief is necessary, and any additional relevant information the Compliance Specialist should consider. The Successful Respondent shall include with the request all documentation of its attempts to subcontract with the ACDBE, DBE or Small Business and any other action taken to locate and solicit a replacement ACDBE, DBE or Small Business.

If an approved ACDBE or DBE allows its ACDBE or DBE status to expire or its ACDBE or DBE certification is removed during the course of the subcontract, the City will consider all work performed by the ACDBE or DBE under the original contract to count as ACDBE or DBE participation. No
increased scopes of work negotiated after expiration or revocation of the ACDBE’s or DBE’s certification may be counted. Likewise, any work performed under a Lease extension granted by the City may not be counted as ACDBE or DBE participation.

C. **Substitutions.** If an ACDBE or DBE was approved by the City, but the firm subsequently loses its ACDBE or DBE status before execution of a contract, the Compliance Specialist will consider whether or not the Successful Respondent has exercised diligent and good-faith efforts to find another ACDBE or DBE as a replacement. The Successful Respondent shall notify the Compliance Specialist in writing of the necessity to substitute an ACDBE, DBE or Small Business and provide specific reason(s) for the substitution or replacement. Actual substitution or replacement of an ACDBE, DBE or Small Business may not occur before the Compliance Specialist’s written approval has been obtained.

**SECTION VI. RECORDS & REPORTING REQUIREMENTS**

A. **Records.** During performance of the Lease, the Successful Respondent shall keep all records necessary to document ACDBE, DBE and Small Business participation. The Successful Respondent shall provide the records to the City within 72 hours of the City’s request and at final completion of the Lease. The City will prescribe the form, manner, and content of reports. The required records include:

1. A complete listing of all Subcontractors and suppliers on the project;
2. Each Subcontractor’s and supplier’s scope performed;
3. The dollar value of all subcontracting work, services, and procurement;
4. Copies of all executed Subcontracts, purchase orders, and invoices;
5. Total operating expenses and total costs of goods sales; and
6. Copies of all payment documentation.

B. **Reports.** The Successful Respondent shall be required to track and report all ACDBE, DBE and/or small business participation that occurs as a result of a contract, procurements, purchase orders, subleases, JV, goods/services or other arrangements involving sub-tier participation. Such documentation must be entered monthly into the internet based reporting program Business2Government (B2G) System at [www.phoenix.diversitycompliance.com](http://www.phoenix.diversitycompliance.com).

C. **Annual Submittals of Small Business Utilization Plan.** As a matter of compliance, the Successful Respondent must submit a Small Business Utilization Plan and the associated Supporting Documentation, on an annual basis by the anniversary date of contract award. The Successful Respondent is required to maintain a Small Business Utilization Plan and document its ongoing efforts to foster small business participation throughout the life of this Contract. The Successful Respondent is required to conduct a shortfall analysis and develop a corrective action plan in the event the Successful Respondent is unable to achieve its Small Business Utilization Commitment.

2. **Failure To Foster Small Business Participation**
   The Compliance Specialist will determine whether Successful Respondent has satisfied all outreach activities in the development of the Small Business Utilization Plan. If the Compliance Specialist determines that Successful Respondent has failed to satisfy the Small Business Utilization Plan requirements as specified in this clause, then the Compliance...
Specialist may determine that the Successful Respondent is not compliant as indicated per the clause. The City shall send a written notice to the Successful Respondent stating the basis for the DBE Compliance Specialist's decision. The Successful Respondent has seven (7) business days to cure the deficiency. If Successful Respondent fails to submit the required forms and supporting documentation by the due dates, the City may deem the Successful Respondent noncompliant, in default of the Lease and not in good standing with the City of Phoenix.

D. **JVs.** In instances where ACDBE, DBE or small business participation occurs as the result of a JV arrangement with a Respondent, the Successful Respondent is required to complete JV documentation, and cooperate and participate in a review of the utilization of the JV participants at least once a year. The review will determine the percentage of participation that will be counted for ACDBE, DBE and small businesses and the participation of ACDBE and DBE's to be reported to the Federal Aviation Administration each year of the Lease.
EXHIBIT 11 – D
(Retail Lease)

OPERATIONS PLAN

To be added prior to Lease execution
CITY OF PHOENIX
Aviation Department
Food and Beverage and Retail Concessions at PHX Terminal 3 RCS AVN 16-110

ATTACHMENT E

Airport Pricing Policy and Comparisons

Respondent Name: ________________________________

The Aviation Department (Aviation) has adopted an Airport Pricing Policy (Policy) for the retail concessions program (Program) at PHX. This Policy requires prices at PHX to be no more than 10% higher than prices at comparable street locations in the Phoenix metropolitan area, with the exception of merchandise with pre-printed prices. For merchandise with preprinted prices, the Successful Respondent may not charge more than the pre-printed prices.

Each Respondent must list 3 street locations (Comparisons) in the Phoenix metropolitan area to be used to implement and monitor this Policy for each proposed concept, which are the same or comparable in concept and quality for approval by the Airport. No hotel/resort or airport stores will be allowed for Comparisons. If there are fewer than 3 street locations of the concept, all street locations must be listed. If the concept is not represented in the Phoenix metropolitan area, the Respondent must list the closest and comparable street locations, excluding stores in resorts/hotels and airports.

The merchandise of national/regional/local brand name concepts will be priced no higher than 10% above the prices for the same merchandise found in the same brand name stores in the Phoenix Metropolitan area. If the concept is not represented in the Phoenix metropolitan area, the Respondent must list the closet street locations.

If a national name brand product is found in a non-brand name store as well as in a nationally recognized brand name store (i.e. Pocahontas doll sold by Disney, and found in a Disney store as well as in a local children’s non-brand name toy store), then the price of the product cannot be more than 10% higher than the same product found in the national brand name store or the owner’s store in the local community, excluding stores in resorts/hotels and airports.

During the term of the Leases resulting from this RCS, the Successful Respondents’ prices will be checked against these Comparisons semi-annually to assure compliance with this Policy. A Successful Respondent may be required to select or use alternative comparable locations if Aviation deems it necessary. In addition, a Successful Respondent will be required periodically to provide updated inventory and pricing lists.

A selection of 10 to 15 items, per concession space, based on the highest sales volume and another 10 to 15 items, per concession space, based on the highest number of units sold (subject to review and approval by Aviation) will be compared to similar items at the Comparisons. Each Successful Respondent will be responsible for researching and documenting the prices charged for these items at the Comparisons. Aviation will review the findings and audit the results for accuracy. No more than twice per year, Aviation may select an additional 10 to 15 items, per concession space, for a sample price comparison to be performed by the Successful Respondent.

Attachment E-1
A Successful Respondent not in compliance with this Policy will be given 30 days to bring all pricing into compliance. Please see Sections 5 and 6 of Attachment B for more information about this Policy.

### SAMPLE

<table>
<thead>
<tr>
<th>Retail Concept:</th>
<th>Massage/Nails/Spa Products</th>
</tr>
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<tbody>
<tr>
<td>Store ID#</td>
<td>L-R14</td>
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<td>Proposed Concept:</td>
<td>Massage Services</td>
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<table>
<thead>
<tr>
<th>Comparison Store</th>
<th>Comparison Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Spa Heaven</td>
<td>1111 N. North Avenue, Phoenix, AZ 85000</td>
</tr>
<tr>
<td>2 Spa Are Us</td>
<td>222 E. East Street, Glendale, AZ 85000</td>
</tr>
<tr>
<td>3 Spa to Go</td>
<td>33 S. South Street, Gilbert, AZ 85000</td>
</tr>
</tbody>
</table>

Please refer to Section II.B of the RCS for Retail Categories and Store IDs. Fill out a form for each Retail Category included in your Response.

<table>
<thead>
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<th>Retail Category:</th>
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</thead>
<tbody>
<tr>
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<tr>
<td>Proposed Concept:</td>
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<table>
<thead>
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<tr>
<td>2</td>
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<tr>
<td>3</td>
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<td>Retail Category:</td>
<td>Store ID#:</td>
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<tr>
<td>-----------------</td>
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<table>
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<th>Comparison Address</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

Print additional copies of this page as needed
ATTACHMENT F

Affidavit

Assurances

The undersigned Respondent hereby submits to the City of Phoenix (City) the enclosed Revenue Contract Solicitation Response (Response) based upon all terms and conditions set forth in the City’s Revenue Contract Solicitation (RCS) and referenced materials. Respondent further specifically agrees hereby to provide services in the manner set forth in the Response submitted by Respondent.

The undersigned Respondent acknowledges and states, under penalty of perjury, as follows:

1. The City is relying on Respondent’s submitted information and the representation that Respondent has the capability to successfully undertake and complete the responsibilities and obligations submitted in its Response and in the resulting Lease.

2. The City has the right to make any further inquiry it deems appropriate to substantiate or supplement information supplied by Respondent.

3. Respondent has read and fully understands all the provisions and conditions set forth in the RCS documents, upon which its Response is based.

4. The forms and information requested in the RCS are complete and made part of Respondent’s Response. The City is not responsible for any Respondent errors or omissions.

5. This Response may be withdrawn by requesting such withdrawal in writing at any time prior to the Response deadline but may not be withdrawn after such date and time.

6. The City reserves the right to reject any and all Responses and to accept the Response that, in its judgment, will provide the best quality of service to the City at reasonable rates.

7. This Response is valid for a minimum of 120 days subsequent to the RCS Response deadline.

8. All costs incurred by Respondent in connection with this Response shall be borne solely by Respondent. Under no circumstances shall the City be responsible for any costs associated with Respondent’s Response or the RCS process.

9. Respondent has not in any manner, directly or indirectly, conspired with any person or party to unfairly compete or compromise the competitive nature of the RCS process.

10. The contents of this Response have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this Response.

11. To the best of the Respondent’s knowledge, the information provided in its Response is true and correct and neither the undersigned Respondent nor any Partner, corporate officer or managing employee have ever been convicted of a felony or a crime involving moral turpitude.
Legal Status

1. In the past 7 years, have you personally, or any business with which you have been involved, been declared bankrupt, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, or had involuntary proceedings filed in bankruptcy court? If "Yes," provide date, court jurisdiction, case name, case number, amount of liabilities, amount of assets and the status of each occurrence. (Attach additional pages as necessary) Yes ☐ No ☐

2. Have you personally, or any business with which you have been involved, ever been a defaulter as surety upon any obligation to the City? If "Yes," provide details. (Attach additional pages as necessary) Yes ☐ No ☐

3. Are there any pending liens, claims or litigation in excess of $1,000,000 involving Respondent? If "Yes," provide detailed information regarding complaints about how the quality of Respondent’s services was unsatisfactory. (Attach additional pages as necessary) Yes ☐ No ☐

4. Has the Respondent been involved in any lawsuits in the past 5 years? If "Yes," provide list. (Attach additional pages as necessary) Yes ☐ No ☐

5. Have any of the Respondent’s contracts been terminated prior to their expiration terms, voluntarily or involuntarily, within the last 5 years? If "Yes," provide name, location, and date of the contract(s). (Attach additional pages as necessary) Yes ☐ No ☐

6. Has the Respondent, or any corporation or other entity that has, directly or indirectly, a controlling interest in the Respondent, or any subsidiary of the Respondent or other entity in which the Respondent has a controlling interest or any of the Respondent’s principals, officers, or directors ever been barred from bidding on federal, state, or local government contracts? If "Yes," provide the current status of such suspension or debarment proceedings. (Attach additional pages as necessary) Yes ☐ No ☐

7. Respondent intends to operate the business as a (check one):

   Corporation ☐   General Partnership ☐   Member-Managed LLC ☐
   Joint Venture ☐   Limited Partnership ☐   Manager-Management LLC ☐
   Sole Proprietorship ☐   Limited Liability Partnership ☐
   Other ____________________________

References

Respondent shall furnish the names and contact information for 3 clients for whom the Respondent is furnishing or has furnished services similar to those described in this RCS. Do not list City of Phoenix employees or officials as references.

1. Company ____________ and ____________ Reference ____________ Name: _______

   Address: ________________________________________________________________

   Telephone_________________ Email: ______________________________________

Attachment F-2
2. Company and Reference Name: 
   Address: 
   Telephone E-Mail: 

3. Company and Reference Name: 
   Address: 
   Telephone Email: 

SIGNATURE(S)

Name of Joint Venture and/or Sublessee Partner (if applicable): 
Printed Name of Authorized Person: 
Business Address: 
Telephone Email: 
Signature of Authorized Person: 

Name of Respondent's Company (Legal Name): 
Printed Name of Authorized Person: 
Title: 
Business Address of Respondent: 
Telephone Email: 
Signature of Authorized Person*: 
**Must be signed by an individual authorized to contractually bind the Respondent’s company.

NOTARIZED

State of County of 

This Affidavit was subscribed and sworn to before me this day of , 20 by 
(full name of the affiant).

__________________________
Notary Public (signature)

Affix Notary Seal
ATTACHMENT G

LETTER OF DECLARATION

The undersigned Respondent agrees to comply with the provisions of the Federal Equal Pay Act of 1963, State A.R.S. § 23-341, and City PCC 18-21 regarding equal wage and compensation rates for employees, as it applies to its activities under this Lease.

I declare under penalty of perjury that the foregoing is true and correct.

By: ____________________________

Print Name

______________________________

Signature

Date: __________________________

--------------------------------------------------------------------------------------------------------------------

PHOENIX CITY CODE (PCC)

ARTICLE V. SUPPLIER’S AND LESSEE’S EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS

18-21 Requirements of suppliers and lessees

Any supplier/lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee shall ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and shall adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract. The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.*

*Last sentence applies to lessees who employ more than 35 employees

Attachment G-1
Equal Pay/Compensation

The Equal Pay Act requires that men and women in the same workplace be given equal pay for equal work. The jobs need not be identical, but they must be substantially equal. Job content (not job titles) determines whether jobs are substantially equal. All forms of pay are covered by this law, including salary, overtime pay, bonuses, stock options, profit sharing and bonus plans, life insurance, vacation and holiday pay, cleaning or gasoline allowances, hotel accommodations, reimbursement for travel expenses, and benefits. If there is an inequality in wages between men and women, employers may not reduce the wages of either sex to equalize their pay.

STATE

23-341. Equal wage rates; variations; penalties; enforcement

A. Notwithstanding the other provisions of this chapter, no employer shall pay any person in his employ at wage rates less than the rates paid to employees of the opposite sex in the same establishment for the same quantity and quality of the same classification of work, provided, that nothing herein shall prohibit a variation of rates of pay for male and female employees engaged in the same classification of work based upon a difference in seniority, length of service, ability, skill, difference in duties or services performed, whether regularly or occasionally, difference in the shift or time of day worked, hours of work, or restrictions or prohibitions on lifting or moving objects in excess of specified weight, or other reasonable differentiation, factor or factors other than sex, when exercised in good faith.

B. Any employer who violates subsection A of this section is liable to the employee affected in the amount of the wages of which such employee is deprived by reason of such violation.

C. Any affected employee may register with the commission a complaint that the wages paid to such employee are less than the wages to which such employee is entitled under this section.

D. The commission shall take all proceedings necessary to enforce the payment of any sums found to be due and unpaid to such employees.

E. Any employee receiving less than the wage to which such employee is entitled under this section may recover in a civil action the balance of such wages, together with the costs of suit, notwithstanding any agreement to work for a lesser wage.

F. Any action based upon or arising under this section shall be instituted within six months after the date of the alleged violation, but in no event shall any employer be liable for any pay due under this section for more than thirty days prior to receipt by the employer of written notice of claim thereof from the employee.

G. The burden of proof shall be upon the person bringing the claim to establish that the differentiation in rate of pay is based upon the factor of sex and not upon other differences, factor or factors. 23-341
### T3 Processor: Concessions
#### Architectural Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Approx. Area (s.f.)</th>
<th>Partitions / Walls</th>
<th>Storefront Structure / Frame Finishes</th>
<th>Rated Shaft &amp; Roof Curb - Above</th>
<th>Roof Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>809</td>
<td>Tenant Provided</td>
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<td>Temporary Wall by Landlord</td>
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<td>Restaurant / Lounge</td>
<td>4,525</td>
<td>Service Door Provided</td>
<td>Tenant Provided</td>
<td>(1) 2-Hour Rated Shaft To Roof by Landlord</td>
<td>Roof Curb/Cap &amp; 600 s.f. area. Provided by Landlord</td>
<td>Temporary Wall by Landlord</td>
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<td>Quick Serve</td>
<td>7,102</td>
<td>(2) Service Doors Provided</td>
<td>Tenant Provided</td>
<td>(2) 2-Hour Rated Shafts To Roof by Landlord</td>
<td>(2) Roof Curb/Caps &amp; 650 s.f. area. Provided by Landlord</td>
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<td>(2) Service Doors Provided</td>
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<td>Space ID</td>
<td>Location</td>
<td>Proposed Lease Space</td>
<td>Approx. Area (s.f.)</td>
<td>Partitions / Walls</td>
<td>Storefront Structure / Frame Finishes</td>
<td>Rated Shaft &amp; Roof Curb - Above</td>
<td>Roof Area</td>
<td>Comments</td>
</tr>
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<tr>
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<td>Area On Roof Provided</td>
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<td>Contemp. Art / Native American</td>
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## T3 North Concourse: Concessions Architectural Infrastructure

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<th>Rated Shaft &amp; Roof Curb - Above</th>
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<th>Comments</th>
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<td>Grease Waste</td>
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<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>1-1/2&quot; 4&quot; Capped at grade N/A 3&quot;</td>
<td>Low Pressure Duct Available for Tenant Use</td>
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<td>Restaurant / Lounge</td>
<td>2&quot; 4&quot;(<em>) 4&quot;(</em>)</td>
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<td>Yes, (1) 2 HR. Rated Shaft to Roof Provided</td>
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<td>Chocolate / Candy</td>
<td>1 1/2&quot; 4&quot;(*) N/A 3&quot;</td>
<td>Landlord Provided</td>
<td>N/A</td>
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</table>

**COMMENTS:**

(*) Sanitary sewer and grease waste lines below slab & stubbed to edge or face of space lease line above.

(**) Cold water line capped below slab.
# T3 South Concourse: Concessions
## Plumbing & Mechanical Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Plumbing Provisions</th>
<th>Mechanical Provisions</th>
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<tbody>
<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>2**(*)</td>
<td>4(*)</td>
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<tr>
<td>T3S-F7</td>
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<td>Quick Serve</td>
<td>2**(*)</td>
<td>Two 4(*)</td>
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<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve / Specialty</td>
<td>2**(*)</td>
<td>4(*)</td>
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<td>T3S-F9</td>
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<td>Café / Bar</td>
<td>2**(*)</td>
<td>4(*)</td>
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<td>News / Convenience / Coffee / Specialty</td>
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<td>4(*)</td>
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<tr>
<td>T3S-R9</td>
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<td>Contemp. Art / Native American</td>
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<td>News / Convenience / Coffee</td>
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**Comments:**
- (*) Sanitary sewer, grease waste, or vent piping below slab & stubbed to edge or face of space lease line above.
- (***) Cold water piping capped below slab.
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<td>T3N-R13</td>
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<td>Souvenirs / High Tech</td>
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</table>

**COMMENTS:**

(*) Sanitary sewer, grease waste, or vent piping below slab & stubbed to edge or face of space lease line above.

(**) Cold water piping capped below slab.
### T3 Processor: Concessions

#### Electrical & Special Systems Infrastructure

<table>
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<th>Space ID</th>
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<th>Comments</th>
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<td>480Y/277V, 3Ø, 4W</td>
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<td>200 AMP Disconnect</td>
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<td></td>
<td>2°C to TR 02</td>
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<tr>
<td></td>
<td></td>
<td>(4) Cat. 6 (1) 6 stand SM</td>
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<tr>
<td></td>
<td></td>
<td>24&quot; Square Junction Box Above Space</td>
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#### T3P-F1

**STREET**

Coffee / Retail

Temporary Provided Only

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<th>Space ID</th>
<th>Location</th>
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<th>Comments</th>
<th>Electrical Provisions</th>
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<td>480Y/277V, 3Ø, 4W</td>
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<td>200 AMP Disconnect</td>
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<td>2°C to TR 02</td>
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<td>(4) Cat. 6 (1) 6 stand SM</td>
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<td>24&quot; Square Junction Box Above Space</td>
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#### T3P-F2

**PASS**

Restaurant / Lounge

Temporary Provided Only

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<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>Electrical Provisions</th>
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<td>PASS</td>
<td>Restaurant / Lounge</td>
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#### T3P-F3

**PASS**

Quick Serve

Temporary Provided Only

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<td>2°C to TR 06</td>
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#### T3P-F4

**PASS**

Coffee

Temporary Provided Only

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<td>480Y/277V, 3Ø, 4W</td>
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<td>2°C to TR 02</td>
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#### T3P-R1

**PASS**

News / Convenience

Temporary Provided Only

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#### T3P-R2

**PASS**

Women’s / Men’s Boutique

Temporary Provided Only

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<td>200 AMP Disconnect</td>
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<td>2°C to TR 07</td>
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<td>(4) Cat. 6 (1) 6 stand SM</td>
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<td>24&quot; Square Junction Box Above Space</td>
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#### T3P-R3

**PASS**

High Tech

Temporary Provided Only

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<th>Comments</th>
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<td>480Y/277V, 3Ø, 4W</td>
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<td>200 AMP Disconnect</td>
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<td></td>
<td></td>
<td>2°C to TR 04</td>
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<td>(4) Cat. 6 (1) 6 stand SM</td>
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#### T3P-R4

**PASS**

Travel Accessories

Temporary Provided Only

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#### T3P-R5

**PASS**

Chocolate / Candy

Temporary Provided Only

<table>
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<th>Location</th>
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<th>Comments</th>
<th>Electrical Provisions</th>
<th>Communications Provisions</th>
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<td>24&quot; Square Junction Box Above Space</td>
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### COMMENTS

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200AMP disconnect switch in space.
<table>
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<tr>
<th>Space ID</th>
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<th>Proposed Lease Space</th>
<th>Comments</th>
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<th>Communications Provisions</th>
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<td>T3S-F6</td>
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<td>Café / Wine Bar or Craft Beer</td>
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<td>480V/277V, 3Ø, 4W</td>
<td>2°C to TR 13 1°C to RF 02</td>
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<td>Quick Serve</td>
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<td>480V/277V, 3Ø, 4W</td>
<td>(2) 400 AMP Disconnect</td>
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<tr>
<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
<td>Temporary Provided only</td>
<td>480V/277V, 3Ø, 4W</td>
<td>400 AMP Disconnect</td>
</tr>
<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>Temporary Provided only</td>
<td>480V/277V, 3Ø, 4W</td>
<td>(2) 200 AMP Disconnect</td>
</tr>
<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td>Temporary Provided only</td>
<td>480V/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td>Temporary Provided only</td>
<td>480V/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
</tr>
<tr>
<td>T3S-R12</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>Temporary Provided only</td>
<td>480V/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
</tr>
</tbody>
</table>

**COMMENTS**

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200 AMP disconnect switch in space.
## T3 North Concourse: Concessions
### Electrical & Special Systems Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Lease Space</th>
<th>Comments</th>
<th>Electrical Provisions</th>
<th>Communications Provisions</th>
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<tr>
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<td>Pathway to Demarcation Point</td>
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<td></td>
<td>(2) 400 AMP Disconnect</td>
</tr>
<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3Ø, 4W</td>
<td>(2) each: 2°C to nearest TR 1°C to NC RF</td>
</tr>
<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
</tr>
<tr>
<td>T3N-R14</td>
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<td>News / Convenience / Coffee</td>
<td>Temporary Provided only</td>
<td>480Y/277V, 3Ø, 4W</td>
<td>200 AMP Disconnect</td>
</tr>
</tbody>
</table>

### Comments

(*) Power conductors coiled in pull box directly below lease space for Tenant to use for installation of 200 AMP disconnect switch in space.
## T3 Processor: Concessions
### Fire Protection Infrastructure

<table>
<thead>
<tr>
<th>Space ID</th>
<th>Location</th>
<th>Proposed Leased Space</th>
<th>Comments</th>
<th>FIRE ALARM PROVISIONS</th>
<th>SMOKE PROVISIONS</th>
<th>Capped Connection Point</th>
<th>Shell Sprinkler System Layout</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3P-F1</td>
<td>STREET</td>
<td>Coffee / Retail</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>1 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F2</td>
<td>PASS</td>
<td>Restaurant / Lounge</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
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<tr>
<td>T3P-F3</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-F4</td>
<td>PASS</td>
<td>Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>3'</td>
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<tr>
<td>T3P-R1</td>
<td>PASS</td>
<td>News / Convenience</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
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<tr>
<td>T3P-R2</td>
<td>PASS</td>
<td>Women's / Men's Boutique</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3P-R3</td>
<td>PASS</td>
<td>High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
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<tr>
<td>T3P-R4</td>
<td>PASS</td>
<td>Travel Accessories</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
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<td>Shell Space Only</td>
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<tr>
<td>T3P-R5</td>
<td>PASS</td>
<td>Chocolate &amp; Candy</td>
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<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2'</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>Space ID</td>
<td>Location</td>
<td>Proposed Leased Space</td>
<td>Comments</td>
<td>FIRE ALARM PROVISIONS</td>
<td>SMOKE PROVISIONS</td>
<td>Capped Connection Point</td>
<td>Shell Sprinkler System Layout</td>
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<tr>
<td>T3S-F6</td>
<td>PASS</td>
<td>Café / Wine Bar or Craft Beer</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-F7</td>
<td>PASS</td>
<td>Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-F8</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve / Specialty</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-F9</td>
<td>PASS</td>
<td>Café / Bar</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-R8</td>
<td>PASS</td>
<td>News / Convenience / Coffee / Specialty</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-R9</td>
<td>PASS</td>
<td>Contemp. Art / Native American</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-R11</td>
<td>PASS</td>
<td>High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3S-R12</td>
<td>PASS</td>
<td>News / Convenience / Coffee</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord. Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td>Shell Space Only</td>
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</tbody>
</table>
## T3 North Concourse: Concessions
### Fire Protection Infrastructure

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>T3N-F10</td>
<td>PASS</td>
<td>Restaurant / Lounge / Quick Serve</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord, Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>(2) 2 1/2&quot;</td>
<td></td>
<td>Shell Space Only</td>
</tr>
<tr>
<td>T3N-R13</td>
<td>PASS</td>
<td>Souvenirs / High Tech</td>
<td>Empty Fire Alarm raceways from Lease Spaces Provided in Shell Project</td>
<td>Fire alarm panel capacity provided by Landlord, Tenant to Provide System for Lease Space</td>
<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
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<td>Tenant to Provide System for Lease Space</td>
<td>2 1/2&quot;</td>
<td></td>
<td>Shell Space Only</td>
</tr>
</tbody>
</table>
CITY OF PHOENIX
Aviation Department
Food and Beverage and Retail Concessions at PHX Terminal 3 RCS AVN 16-110
APPENDIX C

TERMINAL 3 RCS AVN 16-110

T3 LEASE OUTLINE DRAWINGS (LOD), (Appendix C) ARE LOCATED AT:
www.phoenix.gov/solicitations/493

ALL RESPONDENTS ARE RESPONSIBLE FOR REVIEWING APPENDIX C IN ITS ENTIRETY PRIOR TO SUBMITTING A RESPONSE TO THIS RCS. THE LOCATION OUTLINE DRAWINGS BECOME COMPONENTS OF THE LEASE.

IT IS RECOMMENDED RESPONDENTS DOWNLOAD APPENDIX C FOR THEIR RECORDS
Each Respondent must conduct outreach efforts and submit documentation of those outreach efforts as described in Sections III and IV of the Airport Concession Disadvantaged Business Enterprise (ACDBE) Program Race- and Gender-Neutral Lease Clause (Lease Clause). Detailed instructions for this form are included in Section IV of the Lease Clause. Supporting documentation is required for columns D and F. Respondents should make additional copies of this form as needed.

<table>
<thead>
<tr>
<th>(A) Small Business Name and Contact Information</th>
<th>(B) Business Status</th>
<th>(C) Scope of Work Solicited</th>
<th>(D) Solicitation Method</th>
<th>(E) Small Business Selection Decision</th>
<th>(F) Communication of Selection Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>ACDBE/DBE</td>
<td>Newspapers or Websites</td>
<td>Firm was selected</td>
<td>Date:</td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td>SBC - Small Business Concern</td>
<td>Trade and/or Professional Listing</td>
<td>Firm was not selected</td>
<td>Methods of Communication</td>
<td></td>
</tr>
<tr>
<td>City, State, Zip:</td>
<td>SBE - City of Phoenix Certified</td>
<td>Business Outreach Events</td>
<td>Explain why this firm was not selected as a proposed participant</td>
<td></td>
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</tr>
<tr>
<td>Phone Number:</td>
<td>Unknown</td>
<td>E-mail blast</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Range of Annual Gross Receipts:</td>
<td>Estimated percentage of total contract value: %</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td>ACDBE/DBE</td>
<td>Newspapers or Websites</td>
<td>Firm was selected</td>
<td>Date:</td>
<td></td>
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<tr>
<td>Address:</td>
<td>SBC - Small Business Concern</td>
<td>Trade and/or Professional Listing</td>
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</tr>
<tr>
<td>City, State, Zip:</td>
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<td>Explain why this firm was not selected as a proposed participant</td>
<td></td>
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<td>Range of Annual Gross Receipts:</td>
<td>Estimated percentage of total contract value: %</td>
<td>Other</td>
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<tr>
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<td>ACDBE/DBE</td>
<td>Newspapers or Websites</td>
<td>Firm was selected</td>
<td>Date:</td>
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<tr>
<td>Address:</td>
<td>SBC - Small Business Concern</td>
<td>Trade and/or Professional Listing</td>
<td>Firm was not selected</td>
<td>Methods of Communication</td>
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</tr>
<tr>
<td>City, State, Zip:</td>
<td>SBE - City of Phoenix Certified</td>
<td>Business Outreach Events</td>
<td>Explain why this firm was not selected as a proposed participant</td>
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<td>Phone Number:</td>
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<tr>
<td>Range of Annual Gross Receipts:</td>
<td>Estimated percentage of total contract value: %</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ATTACHMENT H-2

Small Business Utilization Commitment

On behalf of the Respondent, I certify under the penalty of perjury that the information submitted herein is true and correct:

1) The firms indicated as “selected” in Attachment C-A, Outreach Efforts, will participate in this Lease;

2) The Successful Respondent will comply with the Race- and Gender-Neutral post-award requirements as stated in Sections III and IV of the ACDBE Lease Clause;

3) I understand and agree that any and all changes or substitutions must be authorized by the Contract Specialist prior to implementation; and

4) The following statements are true and correct:

The proposed participation of ACDBE, DBE, and small business firms as Partners on this Lease will be:

___________%

The proposed participation of ACDBE, DBE, and small business firms as suppliers of goods and services as a percentage of the operating expenses or cost of goods sold associated with this Lease will be:

___________%

Signed By: ____________________________________________________________

(signature)

Title: ________________________________________________________________

Name of Company: ______________________________________________________

Date: ___________________________
<table>
<thead>
<tr>
<th>Name of Operator</th>
<th>Store ID</th>
<th>Name of Proposed Concept</th>
<th>Operator’s Legal Relationship With Concept/Brand</th>
<th>Sq. Ft. by Brand/Concept Type</th>
<th>Projected 1st Full Year Gross Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concepts Operated by Respondent</td>
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<td></td>
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<td>$ -</td>
</tr>
<tr>
<td>1.</td>
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<td>2.</td>
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<td>6.</td>
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<tr>
<td>7.</td>
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<tr>
<td>Total Sq. Ft. Operated by Respondent</td>
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<tr>
<td>% of Total</td>
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<tr>
<td>Concepts Operated by Others</td>
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<tr>
<td>Names of Local/Regional Operators</td>
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<td>$ -</td>
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<tr>
<td>1.</td>
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<td>3.</td>
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<td>$ -</td>
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<tr>
<td>Total Sq. Ft. Operated by Local/Regional Operators</td>
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<tr>
<td>% of Total</td>
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<td>0% 0% 0% 0% 0%</td>
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<tr>
<td>Names of National Brand Operators</td>
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</tr>
<tr>
<td>1.</td>
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<tr>
<td>Total Sq. Ft. Operated by National Brand Operators</td>
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<tr>
<td>% of Total</td>
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<tr>
<td>Total Sq. Ft. Operated by Others</td>
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<tr>
<td>% of Total</td>
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<td>% of Total</td>
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</table>

1. Square feet should equal total leasable concessions spaces.
Respondent's Qualifications and Experience

<table>
<thead>
<tr>
<th>Package #:</th>
<th>Name of Respondent:</th>
<th>Name of Entity or Person Satisfying Minimum Qualifications:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Airport Retail Experience (list no more than 5 airports)</th>
<th>Term of Contract (Begin &amp; End Dates)</th>
<th>Enplanements (Avg. During Lease Term)</th>
<th>Total Sq. Ft. Operated</th>
<th>Total No. of Units Operated</th>
<th>Annual Retail Gross Sales Generated by Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<th>Non-Airport Retail Experience (list no more than 5 non-airport venues)</th>
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<th>Name or Type of Concept(s)</th>
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<th>Total No. of Units Operated</th>
<th>Annual Retail Gross Sales Generated by Units</th>
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<th>2011</th>
<th>2012</th>
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Note: The experience of the entity or person satisfying the minimum qualifications must be listed on this form.

This Attachment is limited to one (1) page
## Contact Information for Locations Provided in Attachment I-1

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# Respondent’s Experience Managing and Operating a Variety of Concepts

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<th>Term of Contract (Begin &amp; End Dates)</th>
<th>List National Brand Name Concepts</th>
<th>List Local/Regional Concepts</th>
<th>List Other Concepts</th>
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<table>
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<th>Term of Contract (Begin &amp; End Dates)</th>
<th>List National Brand Name Concepts</th>
<th>List Local/Regional Concepts</th>
<th>List Other Concepts</th>
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Note: The experience of the entity or person satisfying the minimum qualifications must be listed on this form.

This Attachment is limited to one (1) page.
**Experience of Respondent and Respondent's Subtenant and/or Joint Venture Partner with Proposed Concepts**

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<tr>
<th>Name of Proposed Operator (If operator is not Respondent, then indicate the legal relationship with Respondent, i.e. subtenant or joint venture partner.)</th>
<th>Name of Proposed Concept for T4</th>
<th>Name of Proposed or Similar Concept</th>
<th>Operator's Experience with Proposed Concept (list no more than 3 locations)</th>
<th>Indicate Name of Airport or Address of Street Location</th>
<th>Sq. Ft.</th>
<th>No. Years Concept is Operated by Proposed Operator or Other</th>
<th>Gross Sales</th>
<th>Most Recent Year</th>
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</table>

**Note:** The experience of the entity or person satisfying the minimum qualifications must be listed on this form.
## Qualifications and Experience of Respondent's On-Site Manager

### Package #: 

### Name of Respondent: 

### Name of Proposed On-Site Manager: 

### On-Site Manager's Proposed Shifts: 

<table>
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<tr>
<th>Qualifications and Experience</th>
<th>Name and Location of Store</th>
<th>Position Title</th>
<th>Brief Description of Responsibilities</th>
<th>No. Yrs. at Store</th>
<th>Dates</th>
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<td>No. Yrs. at Store</td>
<td>Dates</td>
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Separate sheets are required for each subtenant's Manager(s).
CITY OF PHOENIX
Aviation Department

Concept Descriptions – News, Gifts and Specialty Retail

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<th>Store ID</th>
<th>Food &amp; Beverage Category</th>
<th>Square Feet</th>
<th>Name of Proposed Concept</th>
<th>Name of Operator</th>
<th>Briefly Describe Concept (Include any national or local/regional brand name affiliation)</th>
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Separate sheets are required for each package submitted. Complete concept descriptions for applicable package only.
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<td><strong>Package 2 must equal 8,147 square feet</strong></td>
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Separate sheets are required for each package submitted. Complete concept descriptions for applicable package only.
## ATTACHMENT L

**Variety of Menu Items/Products and Range of Price Points**

**Package #:**  
**Name of Respondent:**

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<th>Store ID</th>
<th>Food &amp; Beverage or Retail Category</th>
<th>Name of Proposed Concept</th>
<th>Name of Operator</th>
<th>List Major Menu or Product Categories and Provide Range of Prices</th>
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This Attachment is limited to two (2) pages.
## Identification of Concept Operators and Brands

### List Concepts Operated by Respondent

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<th>F&amp;B or NG Category</th>
<th>Store ID</th>
<th>Name of Proposed Concept</th>
<th>Name of Operator</th>
<th>Indicate if Concept will be Operated by Owner of Concept or Under a License/Franchise Agreement</th>
<th>Square Footage</th>
<th>Total by Brand</th>
<th>Storage</th>
<th>Total Square Feet</th>
<th>Projected 1st Full Year Sales</th>
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<td>Local/Regional</td>
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### List Concepts Operated by Subtenants

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<th>Name of Proposed Concept</th>
<th>Name of Operator</th>
<th>Indicate if Concept will be Operated by Owner of Concept or Under a License/Franchise Agreement</th>
<th>Square Footage</th>
<th>Total by Brand</th>
<th>Storage</th>
<th>Total Square Feet</th>
<th>Projected 1st Full Year Sales</th>
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Separate sheets are required for each package submitted.
# Ten-Year Gross Sales Projections

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<th>CY 2023</th>
<th>CY 2024</th>
<th>CY 2025</th>
<th>CY 2026</th>
<th>CY 2027</th>
<th>CY 2028</th>
<th>CY 2029</th>
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1. Square feet should equal total leasable concessions spaces.

This Attachment is limited to one (1) page.
### Ten-Year Rent Revenues by Concession Space and in the Aggregate

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<th>Name of Respondent:</th>
<th>Proposed Concept</th>
<th>Feet(1) Rent(2)</th>
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- Total square feet should equal total leasable space including storage space.
- Represents the stipulated percentage rental rate for the concept or the average rental rate expected for the concept based on the stipulated percentage rental rate for the concept/merchandise categories that are part of the concept.

Attachment is limited to one (1) page.
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</tr>
<tr>
<td>% Gross</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>% Gross</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
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<td>0.0%</td>
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<tr>
<td>Cash Flow from Operations</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
</tr>
<tr>
<td>% Gross</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

1. Include marketing, advertising, maintenance and repairs, insurance, utilities, communication, etc. expenses.
2. List on Attachment J-D the expenses comprising All Other Expenses.
### CITY OF PHOENIX
Aviation Department

**ATTACHMENT P**

**Assumptions**

<table>
<thead>
<tr>
<th>Package #:</th>
<th>Name of Respondent:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Store ID#:</th>
<th>Name of Concept/Operator:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Square Feet: | |
|--------------||

<table>
<thead>
<tr>
<th>Factors Affecting</th>
<th>Financial Projections</th>
<th>List and Describe all Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Annual Enplanements</td>
<td>Provided by Aviation</td>
<td>(The first two factors have been established in the RCS.)</td>
</tr>
<tr>
<td>2. Annual Inflation Rate = 0%</td>
<td>Pro Forma financial statement projections for all years must be expressed in current U.S. dollars (no inflation).</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
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<tr>
<td>4.</td>
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<td>5.</td>
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<td>6.</td>
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<td>7.</td>
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<td>8.</td>
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<tr>
<td>9.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Proposed Capital Investment (CI) by Concession Space and in the Aggregate

<table>
<thead>
<tr>
<th>Store ID</th>
<th>Name of Store</th>
<th>Name of Operator</th>
<th>Square Feet</th>
<th>Proposed Capital Investment(1)</th>
<th>Total CI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Primary</td>
<td>Total $/$Sq.Ft.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Storage</td>
<td>Total $/$Sq.Ft.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>Total $/$Sq.Ft.</td>
<td></td>
</tr>
</tbody>
</table>

1. Architectural and engineering fees should be excluded from the Capital Investment dollars.

2. Primary Space Minimum CI = $450/SF for F&B, and $350/SF for NGS.
<table>
<thead>
<tr>
<th>1. Name of person submitting this disclosure form.</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
</tr>
<tr>
<td>MI</td>
</tr>
<tr>
<td>Last</td>
</tr>
<tr>
<td>Suffix</td>
</tr>
</tbody>
</table>

2. Contract Information

Solicitation # or Name:

3. Name of individual(s) or entity(ies) seeking a contract with the City (i.e. parties to the Contract)

4. List any individuals(s) or entity(ies) that are partners, parent, joint venture or subsidiaries of the individual or entity listed in Question 3. Please include all Board members, executive committee members and officers for each entry. If not applicable, indicate N/A.

5. List any individuals or entities that will be subcontractors on this contract or indicate N/A.

   □ Subcontractors may be retained, but not known as of the time of this submission.
   □ List of subcontracts, including the name of the owner(s) and business name:

6. List any attorney, lobbyist, or consultant retained by any individuals listed in Questions 3, 4, or 5 to assist in the proposal or seeking the resulting contract. If none, indicate N/A.
7. Disclosure of conflict of interest:

Are you aware of any fact(s) with regard to this solicitation or resulting contract that would raise a “conflict of interest” issue under City Code Section 43-34?

“An elected City official or a City employee shall not represent any person or business for compensation before the City regarding any part of a procurement, including any resulting contract, if during the time the elected official is or was in office or the employee is or was employed by the City such elected official or employee played a material or significant role in the development of the solicitation, any other part of the procurement, or the contract award.”

☐ I am not aware of any conflict(s) of interest under City Code Section 43-34.
☐ I am aware of the following potential or actual conflict(s) of interest:

8. Notice Regarding Prohibited Interest in Contracts

State law and the Phoenix City Charter and Code prohibit public officers or employees, their close relatives, and any businesses they, or their relatives, own from (1) representing before the City any person or business for compensation, (2) doing business with the City by any means other than through a formal procurement, and (3) doing business with the City without disclosing that the person has an interest in the contract. This prohibition extends to subcontracts on City contracts and also applies to parent, subsidiary, or partner businesses owned by a public officer or employee. See A.R.S. Sections 38-501 through 38-511, for more information (City Charter, Chapter 11, applies the state conflict-of-interest law to City employees).

Please note that any contract in place at the time a person becomes a public officer or employee may remain in effect. But the contract may not be amended, extended, modified, or changed in any manner during the officer’s or employee’s city service without following city administrative regulations.

Are you aware of any fact(s) with regard to this contract that would raise a “conflict of interest” issue under A.R.S. Sections 38-501 through 38-511? (See Arizona Revised Statutes regarding conflict of interest at [www.azleg.gov](http://www.azleg.gov)).

☐ I am not aware of any conflict(s) of interest under Arizona Revised Statutes Sections 38-501 through 38-511.
☐ I am aware of the following conflict(s) of interest:
9. Acknowledgements

Solicitation Transparency Policy – No Contact with City Officials or Staff During Evaluation

☐ I understand that a person or entity who seeks or applies for a city contract, or any other person acting on behalf of that person or entity, is prohibited from contacting city officials and employees regarding the contract after a solicitation has been posted.

☐ This “no-contact” provision only concludes when the contract is awarded at a City Council meeting. If contact is required with City official or employees, the contact will take place in accordance with procedures by the City. Violation of this prohibited contacts provision, set out in City Code Sections 2-190.4 and 43-36, by respondents, or their agents, will lead to disqualification.

10. Fraud Prevention and Reporting Policy

☐ I acknowledge that the City has a fraud prevention and reporting policy and takes fraud seriously. I will report fraud, suspicion of fraud, or any other inappropriate action to: telephone no. 602-261-8999 or 602-534-5500 (TDD); or aud.integrity.line@phoenix.gov.

The purpose of the fraud policy is to maintain the City’s high ethical standards. The policy includes a way for our business partners to report wrongdoing or bad behavior. Suspected fraud should be reported immediately to the Phoenix Integrity Line. The City has adopted a zero-tolerance policy regarding fraud.

OATH

I affirm that the statements contained in this form, including any attachments, to the best of my knowledge and belief are true, correct, and complete. Should any of the answers to the above questions change during the course of the contract, particularly as it relates to any changes in ownership, applicant agrees to update this form with the new information within 30 days of such changes. Failure to do so may be deemed a breach of contract.

PRINT NAME

TITLE

SIGNATURE

DATE

COMPANY (CORPORATION, LLC, ETC.) NAME and DBA