

TERMINAL CONCESSION LEASE

BETWEEN

THE RALEIGH-DURHAM AIRPORT AUTHORITY

AND

April 25, 2024

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TERMINAL CONCESSION LEASE

This Terminal Concession Lease ("Lease") is made and entered into this ____ day of _____, 2024, ("Date of Execution") by and between the RALEIGH-DURHAM AIRPORT AUTHORITY, a municipal authority enabled by the General Assembly of North Carolina and established by the Cities of Raleigh and Durham and the Counties of Wake County and Durham (hereinafter referred to as the "Authority"), and _____, a (hereinafter referred to as "Concessionaire"), as Concessionaire.

WITNESSETH:

That the Authority, having received proposals for a **Self-Service Baggage Cart** operator through a Request for Information process and in consideration of the concession fees and rents to be paid and the covenants and agreements to be kept and performed by Concessionaire, hereby leases the space at Raleigh-Durham International Airport hereinafter described and granted the rights and privileges hereinafter enumerated to Concessionaire, subject to the following terms, conditions, covenants and agreements:

1. TERM

1.1 Lease Commencement

The initial term of this Lease shall commence and be binding upon the parties as of the Date of Execution and continue for a period of three (3) years; provided, however, that the possession of each concession location shall commence on the date that each concession location is made available to Concessionaire for up-fitting on or before _____. The Lease shall continue in effect until _____ (the "Expiration Date"), The Authority at its sole discretion shall have the option to renew the Lease for two (2) one (1) year options unless sooner terminated pursuant to the provisions of this Lease. The Authority shall deliver written notice of its intent to exercise the option to extend the Term to Concessionaire not less than ninety (90) days prior to expiration of the initial Term. Each one-year period, beginning on _____ of each year, and ending on _____ of each year, shall be considered a "Lease Year".

1.2 Date(s) of Beneficial Occupancy and Use

The Date of Beneficial Occupancy ("DBO") for each location shall be the date each location opens for business but not later than _____ as specified in **Exhibit A-4** unless the parties agree in writing to a later date.

1.3 Holding Over

If Concessionaire holds over after the Expiration Date or earlier termination of this lease, and the Authority and Concessionaire have not otherwise agreed, in writing, to the terms and

provisions of such holding over, Concessionaire shall be deemed by the Authority to be a month-to-month holdover tenant and Concessionaire shall remain bound by all terms, covenants, and agreements hereof. If Concessionaire is deemed to be a holdover tenant, Concessionaire and Authority agree that: (i) the tenancy shall be from month-to-month and may be terminated at any time by thirty (30) days prior written notice from either party to the other; (ii) insurance as required by this Lease shall remain continuously in effect through the period of extended occupancy; and (iii) the Concession Fee shall remain the same. In the event that Concessionaire is a holdover tenant beyond January 1 or any year, Concessionaire shall be responsible for payment of all property taxes for the entire following tax year without proration.

2. PREMISES

2.1 Description of the Premises

Subject to the terms of this Lease, the Authority hereby leases to Concessionaire the terminal concession locations and additional facilities shown and described on **Exhibit "A"** attached hereto (the "Premises"). Occupancy of the Premises shall occur when and as provided elsewhere in this Lease.

2.2 Use of Premises

Concessionaire shall have a non-exclusive right to operate the terminal concessions specified herein and shall conduct only those operations and sell only those goods and services described on **Exhibit "B"** ("Permitted Uses"), in accordance with the provisions of this Lease. Concessionaire shall not use the Premises for any other purposes. In entering this Lease, the Authority has relied upon the knowledge, experience, and expertise of Concessionaire as described in the Proposal. The Authority may grant rights to others to conduct the same or similar operations and/or to sell the same or similar goods and services.

2.3 Construction

Concessionaire shall have the right and the obligation to construct improvements on the Premises for use in its terminal concessions operations in accordance with plans and a construction schedule approved, in writing, by the Authority. All necessary permits and approvals must be obtained prior to the commencement of the upfit period. Concessionaire's construction obligations are set forth in more detail in Section 8.

2.4 Public Areas

Subject to all applicable rules, regulations, or Authority policies governing the use of the Airport, the Authority grants to Concessionaire the non-exclusive right to use, in common with others, certain areas of the Terminal designated by the Authority to be public or to be used in common, including, but not limited to, the walkways, streets, roadways, waiting rooms, hallways, restrooms and other passenger conveniences ("Public Areas") for Concessionaire's employees, customers, contractors, agents, invitees and suppliers for the uses for which those Public Areas were designed. Concessionaire's rights under this Section shall include the right of ingress and egress to

and from the Premises. The Authority reserves the right to modify the Public Areas at any time and in any way it deems appropriate, including, but not limited to, reconfiguration of the Public Areas, expansion or contraction of the Public Areas, or changing access points to and from the Public Areas. Access to some public areas will be restricted to Concessionaire's employees who display valid security access badges issued by the Authority.

2.5 Employee Parking

Parking for Concessionaire's employees is provided on a space available- basis in the employee parking area, and is provided for use in common with other employees of other Airport tenants, concessionaires, airlines and other users of the Airport. The Authority will charge Concessionaire a monthly fee for each of its employees who park in the employee parking area. The parking fee charged will be the same as the fee charged other tenant employees for similar access to the Authority's designated employee parking areas. The Authority may change this parking fee, from time to time, upon giving a thirty (30) day written notice to Concessionaire. Parking fees will be billed to Concessionaire quarterly and will be due within thirty (30) days following the date of invoice. The Authority will look to Concessionaire, not the employees, to pay for all employee parking.

2.6 Additional Storage Space

Concessionaire may lease storage space and/or office space, if it is available, from the Authority. Such storage space will be covered by a separate lease.

3. DEFINITIONS

For all purposes related to this Lease the following terms shall have the meanings defined in this section:

Additional Rent - All amounts required to be paid by Concessionaire under this Lease other than the Concession Fee.

Airport – Raleigh-Durham International Airport.

Annual Report – Refers to the audited report for each Lease year due not later than April 1 of each Lease Year.

Authority – The Raleigh-Durham Airport Authority.

Business Days - Monday through Friday excluding Saturday, Sunday and Legal Holidays.

Concession Fee – Monthly amount due and payable for the use of the Premises as provided in Section 4.

Concession Fee Commencement Date – The DBO of each terminal concession location.

Concession Fee Due Date – The date on which the balance due for the previous month's Concession Fee (which shall be the 15th day of each month).

Concessionaire _____.

Date of Beneficial Occupancy (“DBO”) - The Date of Beneficial Occupancy (“DBO”) for each location shall be as more fully described in Exhibit A-4.

Default – Refers to the event of default by Concessionaire or Authority.

Delinquency Charge – A charge assessed if Concessionaire is more than ten (10) days delinquent in paying to the Authority any Concession Fee or Additional Rent owed to the Authority under this Lease as defined in Section 4.9.

Delinquency Rate - Eighteen percent (18%) per annum or the maximum rate of interest allowed by law, whichever is less, as defined in Section 4.9.

DOT – United States Department of Transportation.

Event of Default - The occurrence of a default in the payment of rent and fees, performance of other covenants, or a finding of bankruptcy or insolvency.

Expiration Date – The expiration date of this Lease is _____ or later as provided in Section 1.1 of the Lease.

Lease Year – Each one-year period beginning on _____ of the following calendar year.

Leasehold Improvements – All tenant improvements that are affixed in any manner to the Premises.

Legal Holiday - Any holiday observed by the Federal Government.

Manager - A well-trained, qualified and experienced general manager selected and appointed by Concessionaire, subject to Authority approval, who shall have constant and direct supervision of the operation and management of the Premises.

Monthly Transaction Report – Report showing Concessionaire’s total Transactions and Gross Receipts (for each self-service baggage cart rental) the preceding month, along with the balance due for the previous month’s Concession Fee.

Partial Damage – Less than fifty percent (50%) damaged.

Percentage Fee - Means the percentage of Concessionaire's monthly transactions and "Gross Receipts" as described in Exhibit “B” payable by Concessionaire.

Permitted Uses – The nonexclusive right to operate the terminal concession, and to conduct only those operations and sell only those services described on Exhibit "B."

Premises - The terminal concession locations and additional facilities shown and described in Exhibit “A.”

Proposal – Means the response submitted by Concessionaire to the Authority’s Request for Information- Self-Service Baggage Carts Concession dated _____ which response is included as **Exhibit M** and by this reference is hereby incorporated hererin.

Public Areas - The areas of the Terminal designated by the Authority to be public or to be used in common, including, but not limited to, the walkways, streets, roadways, waiting rooms, hallways, restrooms and other passenger conveniences.

RDU – Raleigh-Durham International Airport.

RDU Design Standards – Design guidelines for the development of tenant spaces established by the Authority, which includes the Tenant Design Standards.

Raleigh-Durham Airport Authority - A municipal authority enabled by the General Assembly of North Carolina and established by the Cities of Raleigh and Durham and the Counties of Wake County and Durham to operate Raleigh-Durham International Airport.

Raleigh-Durham International Airport – The medium hub, commercial airport located in Wake County, North Carolina serving central and eastern North Carolina.

Raleigh-Durham Metropolitan Area – The three county area in and around RDU, comprised of Durham, Orange and Wake counties. (Note: This definition does not correspond with Census Bureau definitions.)

Register - A point of receipts registration system used to record all receipts generated in, at, or from the Premises, which is capable of producing duplicate receipts slips or printouts on

which each sale is identified, itemized, and recorded for each concession space as further defined in Section 4.6.

Security Deposit – An irrevocable stand-by letter of credit equaling three-month’s Concession Fees as provided in Section 4.16.

Taxes - All taxes, assessments, user fees and other charges, however named, which become due after the Effective Date of this Lease levied by the state, county, city, district or any other body upon the Premises or Improvements or other property of Concessionaire as further defined in Section 4.15.

Terminal 1 – The easterly of two air carrier passenger terminals at RDU.

Terminal 2 - The westerly of two air carrier passenger terminals at RDU.

Trade Fixtures - All of Concessionaire's furniture, furnishings, trade fixtures, and equipment.

Transaction - Any and all transactions, receipts, and/or services for which Concessionaire charges a fee in connection with its self-service baggage cart operation located in, at, or on the Premises.

Transaction Report Due Date - The date on which the Monthly Transaction Report is due, which shall be the 15th day of each month.

4. CONCESSION FEE PAYMENTS

4.1 Concession Fee Commencement

Commencing on the Effective Date or DBO, whichever is sooner, Concessionaire shall pay to the Authority a Concession Fee for the use of the Premises. The Concession Fee shall be due and payable as provided in Section 4.8. The Concession Fee shall be fifteen percent (15%) of the total gross sales as set forth in section 4.5.

4.1.1 Late Opening of Stores

If Concessionaire is not ready to open for business as of the DBO, and such failure to open on time is not excused in writing by the Authority, the Authority will begin charging Concession Fees as of the DBO at the rate of \$250 per day, per location, until the Premises open for business.

4.2 SECTION INTENTIONALLY LEFT BLANK

4.3 SECTION INTENTIONALLY LEFT BLANK

4.4 Gross Receipts

Gross Receipts shall mean the total surchargeable Transaction fee revenue received by Concessionaire for all self-service baggage transactions performed by Concessionaire or any other person or entity in, at, or from the Premises for cash, credit or otherwise, without reserve or deduction for uncollected amounts, credit card charges, or collection costs, including, but not limited to, all sales and services occurring on the Premises and all sales and services: (a) where the orders originate in, at, or from the Premises, regardless from whence delivery or performance is made; (b) where orders are made to and/or filled from the Premises pursuant to mail, telephone, telegraph, catalog, internet, or otherwise received, filled, or distributed from the Premises; and, (c) any income resulting from transactions originating in, at, or from the Premises and deposits not refunded to customers. Surchargeable Transaction fee revenue is defined as any fee charged by Concessionaire to customer to utilize the self-service baggage carts. Further, Concessionaire acknowledges and agrees that the Transaction fee charged at each of the self-service baggage locations shall be no lower than [REDACTED] per Transaction. Any change in the Transaction fee charged at any of the self-service baggage locations must be approved by the Authority in writing. Any increase in the Transaction fee is subject to an increase in the Concession Fee due to the Authority.

4.5 SECTION INTENTIONALLY LEFT BLANK

4.6 Recording of Gross Receipts and Handling of Cash

To record all sales generated in, at, or from the Premises, Concessionaire shall use a point of sales registration system ("Register") acceptable to the Authority, which is capable of producing duplicate sales slips or printouts on which each sale is identified, itemized, and recorded for each concession space. Concessionaire shall adhere to the "Cash and Record Handling" policy developed by Concessionaire and approved by the Authority. The Cash and Record Handling policy shall be submitted to the Authority by Concessionaire upon written request.

4.7 SECTION INTENTIONALLY LEFT BLANK

4.8 Monthly Transaction Reports and Payments

The Concessionaire shall provide to the Authority, via email at Sales.Reports@rdu.com by or before the fifteenth (15th) day of each calendar month (being the "Transaction Report Due Date" and the "Concession Fee Due Date") and using the standardized form attached as **Exhibit "C"**, a "Monthly Transaction Report" showing Concessionaire's total Transactions and total Gross Receipts for each self-service baggage cart rental in, on, or at the Premises for the preceding month. On or before the Concession Fee Due Date, Concessionaire shall submit the final signed, original copy of the Monthly Transaction Report along with the Concession Fee that is due and payable for the preceding month by mail to:

Raleigh-Durham Airport Authority
P. O. Box 63240
Charlotte, NC 28263-3240

The Authority may, at any time upon written notice to Concessionaire, require Concessionaire to change the timing of the Monthly Transaction Report and/or Concession Fee Due Date or modify the form of the Monthly Transaction Report.

Failure to strictly comply with this Section 4.8 shall be considered an Event of Default under Section 16 of this Lease and a material breach of Concessionaire's authorization to do business at the Airport.

4.9 Late Payments or Monthly Transaction Report

The charging of interest, fees or penalties by the Authority or the payment thereof by Concessionaire pursuant to the provisions of this Paragraph shall not constitute: (i) an extension of time for the payment of any amount due to be paid by Concessionaire pursuant to this Lease; (ii) constitute or be interpreted to be a loan by the Authority to Concessionaire of any amount due to be paid by Concessionaire pursuant to this Lease; (iii) constitute a waiver by the Authority or relieve Concessionaire of any default in the payment of any amount due to be paid by Concessionaire pursuant to this Lease; and/or (iv) affect in any manner the right of the Authority to exercise any and all remedies available to it under the terms of this Lease or by operation of law. The Authority may accept late or partial payments, even though marked or designated as "payment in full" or words of similar import, without accepting or treating any such payment of less than the entire amount due as payment as full, and without waiving, compromising, or settling any of its rights pursuant to the provisions of this Lease.

4.9.1 Delinquent Concession Fee Payment

If Concessionaire is more than ten (10) days delinquent in paying to the Authority any Concession Fee and/or Additional Rent (defined in Section 4.17) or other monthly rents and charges of any kind (hereinafter "Rents and Charges") owed to the Authority under this Lease, Concessionaire shall pay to the Authority a late payment charge in an amount equal to four (4%) percent of the delinquent amount, which Concessionaire agrees is a reasonable fee for the additional administration time and expense incurred by the Authority in to process late payments. The late payment charge is in addition to the Delinquency Rate as further defined below.

4.9.2 Delinquency Rate

In addition to the late payment charge, all Rents and Charges not paid within ten (10) days of the date due shall incur a "Delinquency Charge" at the rate of eighteen percent (18%) per annum or the maximum rate of interest allowed by law, whichever is less (the "Delinquency Rate"), from the date such Rents and Charges are due until same are paid in full. The Delinquency Rate is subject to periodic change by the Authority. No change in the Delinquency Rate shall occur, however, without at least thirty (30) days prior written notice to Concessionaire. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Authority for failure to timely pay Rents and Charges.

4.9.3 Delinquent Monthly Transaction Report

If Concessionaire is delinquent for ten (10) days or more in furnishing to the Authority any of the Monthly Transaction Report required under this Lease, Concessionaire shall pay the Authority, in addition to the delinquency rate, a One Hundred Dollar (\$100.00) late fee per delinquent Monthly Transaction Report, for each month or partial month that the Monthly Transaction Report is delinquent, as liquidated damages for the additional administrative costs incurred by the Authority in processing, reviewing, and demanding the delinquent Monthly Transaction Report. The parties have agreed that this is a fair and reasonable estimate of the Authority's costs incurred in processing delinquent Monthly Transaction Report.

4.9.4 Returned Checks

If Concessionaire's check for payment of Concession Fee or Additional Rent due under this Lease is returned to the Authority for any reason, the payment shall be considered not to have been made and shall be delinquent. In addition to the late payment and Delinquency Charges set forth above, the Authority may charge Concessionaire a returned check fee of One Hundred Dollars (\$100.00) per returned check, which Concessionaire agrees is a reasonable fee for the additional administration time and expense incurred by the Authority in having to deal with the returned check. The late payment charge in Section 4.9.1 and the Delinquency Charge described in Section 4.9.2 shall continue to accrue until the returned check fee is paid, the check has been honored or replaced, and the funds are received by the Authority.

4.9.5 Remedies Non-exclusive

The remedies provided by this Section are in addition to all other rights and remedies that the Authority may have for a breach or violation of this Lease. Nothing in this Section shall be deemed to be a waiver by the Authority for any breach or violation or to estop the Authority from terminating this Lease or from asserting any other of its other rights or remedies under this Lease or at law or in equity. Nothing contained herein shall be construed to require the Authority to accept late Concession Fees or Additional Rent. Acceptance of full or partial payment of delinquent Concession Fees or Additional Rent shall not constitute a waiver of any of the Authority's other rights and remedies under Section 16 of this Lease.

4.10 Annual Report

On or before _____, Concessionaire shall furnish an Annual Report ("Annual Report") to the Authority audited by an independent certified public accounting firm. The accounting firm shall assure that the Concession Fee contributions paid by Concessionaire during the preceding Lease Year were properly calculated and paid, and that all information included in the Annual Report is complete, accurate and correctly calculated. The Annual Report shall contain a Statement of Gross Receipts ("Statement of Gross Receipts"), Part A and Part B, which shall be in the form attached as Exhibit "E" and shall contain a complete, itemized statement of Concessionaire's: (a) annual total Gross Receipts, listed by unit as shown on the books and records of Concessionaire, that were used to compute the Concession Fees during the period covered by the Statement of Gross Receipts, including the total Concession Fee paid; In the event the Annual Report reveals an error in

Concession Fee payments that equals or exceeds 3% of Concession Fee paid, the Security Deposit shall be recalculated by the Authority. The new Security Deposit shall become effective immediately upon written notice to Concessionaire.

4.11 Delinquent Annual Report

If Concessionaire is delinquent for ten (10) days or more in furnishing to the Authority the Annual Report required under this Lease, Concessionaire shall pay the Authority, in addition to the Delinquency Rate, a One Hundred Dollar (\$100.00) late fee for each delinquent report, for each month or partial month that the report is delinquent, as liquidated damages for the additional administrative costs incurred by the Authority in processing, reviewing, and demanding the delinquent report. The parties have agreed that this is a fair and reasonable estimate of the Authority's costs incurred in processing a delinquent report.

4.12 SECTION INTENTIONALLY LEFT BLANK

4.13 Financial Accountability

Concessionaire shall maintain an internal control structure designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, that transactions are executed in accordance with management's authority, and that the financial records are reliable for the purposes of preparing financial statements. Concessionaire shall prepare financial statements in conformity with generally accepted accounting principles, applying certain estimates and informed judgments, as required. The internal control structure shall be supported by the selection, training, and development of qualified personnel, by an appropriate segregation of duties, and by the dissemination of written policies and procedures. Concessionaire shall keep full and accurate books and records showing all of its Gross Receipts at the Airport. Books and records shall be kept in accordance with generally accepted accounting principles, and shall be maintained for at least three (3) years after the end of the Lease Year to which they pertain, provided that records may be kept elsewhere, but shall be produced at Raleigh-Durham International Airport, within five (5) Business Days (defined in Section 23.13), for the Authority's inspection, audit, or copying upon request by the Authority, at any time during this Lease and for a period of three (3) years after expiration or termination of this Lease, or, at the Authority's option, Concessionaire shall pay the Authority auditors expenses incurred to travel to the place where the records are being kept.

4.14 Audit of Records

The Authority may audit Concessionaire's books and records at any time to verify compliance with this Lease. The Authority may use its own staff to perform audits under this Section or may engage an independent certified public accountant to perform the audits. If an audit reveals that Concessionaire has understated its Gross Receipts by two percent (2%) or more, the entire expense of the audit shall be borne by Concessionaire. In any case, Concessionaire shall immediately pay any additional amounts that the audit determines are due to the Authority, with interest at the

Authority's then prevailing Delinquency Charge. Interest shall accrue from the date the Concession Fee was due under this Lease.

4.15 Taxes

Concessionaire agrees to pay, before due, all taxes, assessments, user fees and other charges, however named, which become due after the Effective Date of this Lease levied by the state, county, city, district or any other body upon the Premises or Improvements, or upon any interest of Concessionaire acquired pursuant to this Lease, or any possessory right which Concessionaire may have in or to the Premises or the Improvements thereon by reason of Concessionaire's occupancy thereof, as well as all taxes, assessments, user fees or other charges on all property, real or personal, owned or leased by Concessionaire in or about said Premises (collectively, "Taxes"), together with any other tax or charge levied wholly or partly in lieu thereof. If available by law, rule or order of the taxing authority, Concessionaire may, but only with the Authority's prior written consent, make payments in installments. To the extent that Concessionaire qualifies for tax-exempt status, Concessionaire may apply for such exemption; however, unless an exemption is obtained, Concessionaire shall pay all Taxes due under this Section. Concessionaire may contest the validity of an assessment against the Premises so long as Concessionaire deposits with an escrow agent approved by the Authority, with irrevocable instructions to pay such funds to the taxing authority upon written instruction from the Authority, sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment. Along with each May Monthly Transaction Report, Concessionaire shall give to the Authority a copy of the receipts and vouchers showing payment has been made as required by this Section. In the event that Concessionaire fails to pay Taxes on or before their due date, then, in addition to all other remedies set forth in Section 16, the Authority shall automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, with no notice to Concessionaire, and Concessionaire shall immediately reimburse the Authority for any sums so paid. Concessionaire understands that the Premises owned by the Authority are exempt from real property taxes, but that the interest of Concessionaire therein might be taxable. Concessionaire shall be responsible for payment of any and all property taxes accruing during the term of this Lease (without proration for any partial lease years), or, in the event of any change in property tax law, for any taxes due under such law.

4.16 Security Deposit

Concessionaire shall deposit with the Authority, and continuously maintain throughout the term of this Lease, a Security Deposit in the amount of _____, which shall equal three-months of the estimated Concession Fees. A Security Deposit must be in the form of an irrevocable stand-by letter of credit ("LC") issued by an insurance company or other financial institution acceptable to the Authority and shall be in a form acceptable to the Authority. The Security Deposit shall be subject to annual increases or decreases each Lease Year. Concessionaire shall have thirty (30) days after receipt of the new Security Deposit amount to adjust the Security Deposit by amending the LC held by the Authority. The Security Deposit shall secure Concessionaire's full and faithful performance and observance of all of Concessionaire's obligations under this Lease and under any other written agreement between Concessionaire and the Authority specifically referring to this Security Deposit. The Security Deposit shall not be considered to be held in trust by the

Authority for the benefit of Concessionaire and shall not be considered an advance payment of Concession Fees or a measure of the Authority's damages in the case of an Event of Default by Concessionaire. The Authority may, but shall not be obligated to, draw upon and apply the Security Deposit to: (a) pay any Concession Fee or Additional Rent not paid on or before the date it is due and the Authority shall not be required to give notice or opportunity to cure before drawing on the Security Deposit; and/or (b) remedy any other violation of this Lease, after Concessionaire has received notice and opportunity to cure as provided in Section 16.2.6. Further the Authority may draw down the entire Security Deposit immediately, without notice to Concessionaire, upon receipt of a notice of nonrenewal of the Letter of Credit. If the Authority applies any of the Security Deposit to any of the above, Concessionaire shall, immediately upon demand, replenish the Security Deposit to its full amount. If Concessionaire fully performs all of its obligations under this Lease, the Security Deposit, or any balance remaining, will be released within ninety (90) days from the Expiration Date or termination of this Lease and delivery of the Premises to the Authority. However, if any question exists concerning Concessionaire's full compliance with the Lease or if there is any obligation under this Lease to be performed after the Expiration Date or earlier termination of this Lease, the Authority shall be entitled to require that the Security Deposit remain in place until the Authority is fully satisfied that there has been no violation of the Lease and all obligations due under this Lease have been fully performed, even if it takes the Authority longer than ninety (90) days to make such a determination to the Authority's satisfaction.

Concessionaire shall adhere to the Authority's Creditworthiness Policy and the Creditworthiness Procedure having an original effective date of May 10, 2019, as may be updated from time to time, by complying with the instructions contained in the Authority's "Creditworthiness Compliance – Tenant Instructions" document, as may be amended or modified by the Authority in its sole discretion (hereinafter, the "Instructions"). The Instructions are posted on the Authority's "Do Business with RDU" webpage (<https://www.rdu.com/do-business-with-rdu/>). Concessionaire acknowledges and agrees that it has reviewed the Instructions as of the Effective Date, and that Concessionaire will comply with the Instructions (including if/as amended or modified) during the Lease Term.

4.17 Additional Rent

All amounts required to be paid by Concessionaire under this Lease, which are referred to as Concession Fees, shall be deemed "Additional Rent," including, but not limited to, Delinquency Charges, Returned Check Fees, Late Fees, Liquidated Damages, Taxes, utility fees, communications fees, all other fees incurred by Concessionaire as a result of operating under this Lease, and all other sums paid by the Authority on behalf of Concessionaire pursuant to this Lease.

4.18 SECTION INTENTIONALLY LEFT BLANK

5. CONCESSIONAIRE OPERATING STANDARDS

5.1 Hours of Service

Except as otherwise expressly agreed by the Authority, Concessionaire shall be open for business during all periods of time set forth in the “Concession Operating Hours/Schedule” attached hereto as **Exhibit "G."** The Authority may amend the Concession Operating Hours Schedule from time to time in order to accommodate Airport operating requirements. Such amendments shall be made effective upon a ten (10) day written notice to Concessionaire delivered in accordance with Section 23.11. Such notice shall remain in effect until another notice changing hours is sent to replace it.

5.2 Employee Standards

5.2.1 Personnel

Concessionaire shall recruit, train, supervise, direct, and deploy the number of employees necessary to promptly provide services to all customers in accordance with the operating standards set forth in Section 5.4. All employees shall be clean, neat, professional, courteous, appropriately and professionally attired, and must wear the assigned Airport identification badge and also Concessionaire's identification name plate at all times. Concessionaire's identification nameplate shall display the name of the Concessionaire and the name of the employee. All new hires performing deliveries to or removal from the Airport will be badged for sterile area work, and must pass the background checks required for the appropriate Authority security badge. No employee of Concessionaire or any Subtenant, while on the Premises, shall use alcohol or other intoxicants or use improper language, act in a loud, boisterous or otherwise improper way or be permitted to solicit business in an inappropriate manner. Concessionaire shall discipline and, if necessary, discharge any employee who fails to meet the foregoing standards while working at the Airport.

5.2.2 Management

Concessionaire shall select and appoint a well-trained, qualified and experienced general manager, subject to Authority approval, who shall have constant and direct supervision of the operation and management of the Premises (“Manager”). The Manager shall be authorized to communicate with Authority staff regarding Concessionaire’s operations and shall have the authority to make all decisions necessary in the day-to-day operations of the Premises, including, without limitation, decisions regarding merchandise returns or credits, customer complaints or concerns, Authority complaints or concerns, merchandise quality and price, and employee conduct. The Manager shall be available on-site during the majority of operating hours and when not on the Premises, the Manager shall appoint an assistant manager with authority to act on the Manager's behalf and/or the ability to contact the Manager in order to be able to promptly respond to customer or Authority concerns. Concessionaire may be required to employ more than one Manager to meet the requirements set forth herein. The Authority shall have the right to require changes in management if, in the reasonable opinion of the Authority, customer service and operating standards are not being consistently met.

5.2.3 Staffing and Customer Service Standards

Concessionaire shall monitor its employees' to ensure a high standard of service is rendered to the public, in the judgment of the Authority. The Authority reserves the right to require Concessionaire to add additional staff, if the customer service requirements set forth in this Section 5 are not being met, in the judgment of the Authority. Concessionaire should anticipate peak travel seasons such as Spring Break, Thanksgiving, Christmas, and other holidays and special events, and add additional staff accordingly.

All customers shall receive prompt, attentive, and courteous service in accordance with service standards set forth in Section 5.4. Processing of customer purchases, returns and exchanges shall be prompt. Receipts shall be properly itemized, shall reflect precisely the actual sale of goods, and shall present individual prices, totals, and taxes. All customers shall be thanked for their patronage.

5.3 SECTION INTENTIONALLY LEFT BLANK

5.4 Operating Standards

The Authority may employ service and merchandise audits to ensure that high quality services and merchandise area available to airport customers. The audit may be conducted through random inspections, testing, surveying, mystery shopping, or other procedure to be determined by the Authority. The Authority may require that Concessionaires upgrade the quality of its service and/or products or the amounts available based on the results of the audit.

5.5 SECTION INTENTIONALLY LEFT BLANK

5.6 SECTION INTENTIONALLY LEFT BLANK

5.7 SECTION INTENTIONALLY LEFT BLANK

5.8 Sales and Dignified Use

No public or private auction, "fire," "going out of business," bankruptcy or similar types of sales shall be conducted in or from the Premises. The Premises shall not be used except in a dignified and ethical manner consistent with the general high standards of retail operations in the Airport.

5.9 Miscellaneous Operational Covenants

Concessionaire covenants and agrees that it will: (a) not place or maintain any merchandise, vending machines, or other articles in any entry to the Premises or outside the Premises; (b) store garbage, trash, rubbish, and other refuse in ratproof and insect proof containers inside the Premises,

and remove the same frequently and regularly pursuant to Section 6; (c) keep all mechanical equipment free of vibration and noise and in good working order and condition; (d) not commit or permit waste or a nuisance upon the Premises; (e) not permit or cause foul odors to emanate or be dispelled from the Premises in accordance with the RDU Design Standards; (f) not solicit business in the Public Areas, nor distribute advertising matter to, in, or upon any Public Areas without the prior written approval of the Authority; (g) not permit any noxious or toxic fumes or odors, dust, or dirt on the Premises; (h) not place a load on any floor in the Airport which exceed the floor load per square foot which such floor was designed to carry; (i) not install any public address or paging or other audio system on the Premises; (J) not operate any vending machines on the Premises; (k) not allow any smoking on the Premises; and, (m) not install any additional locks or security systems of any kind on doors or windows without the prior written consent of the Authority.

5.10 Noninterference with Utilities

Concessionaire shall not do anything, and shall not permit anything to be done, that may interfere with the drainage or sewage systems, fire hydrants, heating and air conditioning systems, electrical systems, domestic hot water, domestic cold water, gas, fire suppression systems, fire alarm system, or plumbing on the Premises or elsewhere at the Airport. Concessionaire's duty under this Section shall include preventing grease and oils from entering waste lines, drains, and sewers.

5.11 Sanitation, Hygiene, and Cleanliness

Concessionaire shall keep the Premises free of debris, trash, and hazardous conditions, shall keep public areas around the Premises free of hazardous conditions originating from Concessionaire's operations, and shall notify the Authority promptly of other hazardous conditions in the public areas outside the Premises. Concessionaire shall provide a complete and proper arrangement for the adequate sanitary handling of all trash and other refuse on the Premises and shall provide for its timely removal to the central collection point provided by the Authority, as more particularly described in Section 6. Concessionaire shall take appropriate action in the handling of waste materials to prevent the presence of rodents and other vermin, and shall keep all garbage materials in durable, fly-proof and rodent-proof, fireproof containers that are easily cleaned.

5.12 Business Licenses

Concessionaire shall maintain, in current status, all federal, state, and local licenses and permits necessary or required by law for the operation of Concessionaire's business. Concessionaire shall keep such licenses and permits displayed on the Premises as required by law and shall provide a copy of such licenses to the Authority upon request.

5.13 Performance

In the event that Concessionaire either (a) experiences a decrease in its sales per Enplaned Passenger of more than twenty percent (20%) for the Premises, or any discrete portion thereof, for two (2) quarters in any twelve (12)-month period, (b) loses the franchise or license rights under which the concession for the Premises, or any discrete portion thereof, was operated, or (c) experiences a decline in Gross Receipts for the Premises, or any discrete portion thereof, for two (2)

consecutive years without a corresponding decrease in the number of Enplaned Passengers for the same two-year period, the Authority may initiate a discussion with Concessionaire about termination of this Agreement or the discrete portion of the Premises to which such issue pertains. If the parties mutually agree, then a termination agreement shall be executed under which the Authority shall agree to remarket the space and the Concessionaire shall agree to terminate the lease, in whole or in part as the case may be, and to vacate the space if and when a new tenant lease for the space is executed and the new tenant design for the space is approved by the Authority.

6. WASTE DISPOSAL AND RECYCLING

Concessionaire, using its personnel or contracted services, shall gather, sort, and transport all garbage, refuse, and recyclable materials daily to the Authority's designated holding area closest to the Premises.

7. SECTION INTENTIONALLY DELETED

8. CONSTRUCTION RESPONSIBILITIES OF CONCESSIONAIRE

8.1 Condition of Premises

Concessionaire accepts the Premises in an "As Is" condition with absolutely no warranties as to condition or suitability for use being given by the Authority. All Improvements made to the Premises, unless otherwise specified in Section 10, shall be made and maintained by Concessionaire at Concessionaire's sole expense. Unless otherwise designated by the Authority, Premises will be delivered with a minimum amount of development, which includes framed demising walls, a concrete slab flooring, and utilities to the space or to a designated distribution point.

8.2 Tenant Improvements and Trade Fixtures

Unless otherwise provided in Section 10, Concessionaire shall make, at Concessionaire's own expense, all tenant improvements necessary to operate Concessionaire's locations. Concessionaire shall supply all of Concessionaire's own, furniture, furnishings, trade fixtures, and equipment (collectively "Trade Fixtures"). All Trade Fixtures contained within the Premises must be of first-class quality, safe, fire resistant, attractive, in compliance with the RDU Design Standards, and may be installed only with the Authority's prior written approval. Concessionaire shall provide and maintain, at Concessionaire's own expense, a first class retail operation, and shall provide, at Concessionaire's own expense, all tenant improvements, necessary for the customary operation of such a business, including, but not limited to, counters, display cabinets, interior partitions, special lighting, fixtures, wall and ceiling finishes, flooring and floor coverings, and all other equipment, and supplies necessary in the proper conduct of Concessionaire's business. All tenant improvements that are affixed in any manner to the Premises shall be considered "Leasehold Improvements." All -nonaffixed items, including point of sale equipment, moveable furnishings, safes, racks, telephone equipment, and -nonaffixed display fixtures, shall be considered "Trade Fixtures." Upon completion of all construction required under this Section 8, Concessionaire and its prime

construction contractor or contractors shall provide the Authority with a certified statement, setting out a detailed breakdown of the total construction cost expended to ready the Premises to be open for business. The costs submitted- by Concessionaire shall be itemized and segregated into the two categories of Leasehold Improvements and Trade Fixtures. Concessionaire shall be required to refurbish each concession space in accordance with Section 9.3.

8.3 Approval of Plans and Specifications

Concessionaire shall prepare and submit for Authority review, preliminary conceptual plans and projected specifications in accordance with the design and construction schedule. Concessionaire must follow the guidelines set in RDU Design Standards. Following Authority approval of the initial concept and design development documents, Concessionaire shall prepare construction documents as specified in the RDU Design Standards. Construction documents must be prepared by an architect or engineer licensed to practice in the State of North Carolina. No construction may begin until the Authority has approved all construction documents, in writing. Once approved, the Authority shall also notify Concessionaire as to when the Premises will be available for Concessionaire to begin construction. The Authority shall not be liable to Concessionaire for any delay in making the Premises available for commencement of construction, except that Concessionaire's time frame for completion of construction and the Concession Fee Commencement Date will be proportionately extended to compensate for any delay in delivery of the Premises by the Authority. Concessionaire agrees to send at least one designated representative to all meetings and all site inspections related to the construction and opening of the Premises to which the Authority invites Concessionaire to attend.

8.4 Final Plan Approval by the Authority

The need for Authority approval of all construction work and design shall extend to and include all architectural and aesthetic matters. The Authority reserves the right to reject any design concept or layout plan submitted and to require Concessionaire to resubmit construction documents with changed design or layout proposals until they meet the Authority's approval. Approval or disapproval shall occur in accordance with the design and construction schedule. In the event of disapproval by the Authority of all or any portion of the construction documents, Concessionaire shall promptly submit necessary modifications and revisions that address the Authority's concerns. All construction shall conform with the architectural requirements of the Authority and the RDU Design Standards, which may be amended from time to time. Once the final construction documents have been approved by the Authority, no substantial changes or alterations shall be made in any executed plans or specifications without additional written Authority approval. No alterations or improvements shall be made to or upon the Premises at any time during this Lease without the prior written approval of the Authority.

8.5 Construction Standards

All construction performed by concessionaire, including construction and installation of all Leasehold Improvements and Trade Fixtures, shall conform in all respects to the RDU Design Standards, applicable statutes, ordinances, building codes, fire codes, OSHA safety

requirements, Authority Rules and Regulations, the Authority's construction permit requirements, and the Americans with Disabilities Act. Any approval given by the Authority shall not constitute a representation or warranty as to such conformity. Responsibility for conformity remains at all times with the Concessionaire.

8.6 ADA Compliance

All construction done at any time on or about the Premises by Concessionaire must be in compliance with the ADA requirements. Additionally, if, as a result of Concessionaire's use or occupancy of the Premises, or the making of any alterations, additions, or improvements therein, any additions, alterations, or improvements shall be required to be made by the Authority to any part of the Terminal in order to comply with any requirements of the Americans with Disabilities Act of 1990, or any other laws, codes or regulations, Concessionaire shall reimburse the Authority, on demand, for the costs incurred by the Authority to effect such compliance.

8.7 Concessionaire Completion of Work

Within ninety (90) days following substantial completion of construction, Concessionaire shall provide to the Authority one (1) complete set of as built drawings and an electronic file of the as built drawings in a format acceptable to the Authority. Concessionaire agrees that, upon the request of the Authority, Concessionaire will inspect the premises jointly with the Authority to verify the as-built drawings.

8.8 Subsequent Construction

Any subsequent construction work occurring during the term of this Lease, including all repairs, refurbishment, and remodeling, shall be subject to the prior written approval of the Authority. The same process outlined herein for Authority approval of the initial construction shall be followed, unless otherwise directed by the Authority, for all such subsequent construction remodeling, repairs, and/or refurbishment.

8.9 Concessionaire's Liens

Concessionaire shall not create, or permit or suffer to be created or to remain, any mechanics' or materialman's lien to be filed against the Premises or the Airport by reason of construction, labor, services or materials performed or furnished at request of Concessionaire or any of Concessionaire may contest the same in, good faith. Notwithstanding such contest, Concessionaire shall, within thirty (30) days after the filing thereof, cause such lien to be release of record by payment, bond, order of a court of competent jurisdiction or otherwise. In the event of Concessionaire's failure to clear the record any such lien within the aforesaid period, the Authority may remove said lien by paying the full amount thereof or by bonding or in any other manner the Authority deems appropriate, without investigating the validity thereof, and irrespective of the fact that Concessionaire may contest the propriety or the amount thereof, and Concessionaire, upon demand, shall pay the Authority the amount so paid out by the Authority in connection with the discharge of said lien, together with interest thereon at the rate set forth in Section 4 herein and reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, which

amounts are due and payable to the Authority as Additional Rent on the first day of the next following month. Nothing contained in this Lease shall be construed as a consent on the part of the Authority to subject the Authority's estate in the Premises to any lien or liability under the lien laws of the State of North Carolina. Concessionaire's obligation to observe and perform any of the provisions of this Section shall survive the expiration of the Lease Term of the earlier termination of this Lease.

8.10 Failure of Concessionaire to Perform

Because of the difficulty or impossibility of determining the Authority's damages resulting from Concessionaire's failure to open for business fully stocked and staffed on the Concession Fee Commencement Date, including, but not limited to, damages from loss of Concession Fees from Concessionaire, it is hereby agreed that if Concessionaire fails to commence construction on or before the date provided and does not proceed with the same diligently so as to be ready to open for business fully stocked and staffed on or before the Concession Fee Commencement Date, then the Authority may, with twenty (20) days' written notice and demand to Concessionaire, in addition to the right to exercise any other remedies and rights herein or at law provided, proceed with Concessionaire's construction, using any contractor the Authority desires and making any changes or revisions to the construction required because of any delay or failure of Concessionaire to perform its obligations hereunder, all of which changes or revisions shall in any event be made at Concessionaire's expense. Unless otherwise agreed to in writing by the Authority, the Authority will begin to collect Concession Fees as provided in Section 4 as of the Concession Fee Commencement Date if Concessionaire has not substantially completed construction and/or is not open for business. In addition, if Concessionaire is not open for business on the Concession Fee Commencement Date, the Authority may, either in lieu of, or at any time after proceeding with Concessionaire's construction as above, terminate this Lease. In which event the Authority shall have the right to recover as liquidated damages and not as a penalty a sum equal to the estimated Concession Fee payable for one (1) Lease Year plus all expenses incurred by the Authority as a result of the termination, and the cost of any alterations or repairs which the Authority, in its sole discretion, deems advisable to relet the Premises. Concessionaire agrees that this sum is a fair and reasonable assessment of the Authority's damages. Delays caused by factors beyond the reasonable control of Concessionaire shall be cause for Concessionaire and Authority to reevaluate the "Concession Fee Commencement Date" for each affected concession unit on a unit by unit basis.

8.11 Title to Leasehold Improvements

All Leasehold Improvements shall be and remain the property of Concessionaire until the Expiration Date or earlier termination of this Lease. Upon expiration or termination of this Lease for any reason, all Leasehold Improvements shall become the property of the Authority; provided, however, that any Trade Fixtures not permanently affixed to the Premises shall remain the property of Concessionaire if they are removed from the Premises no later than fourteen (14) days after the expiration or termination of this Lease. If Concessionaire fails to remove its Trade Fixtures within this fourteen (14) day period, or any longer period agreed to, in writing, by the Authority, after the expiration or termination of this Lease, the Authority, at its option, may take title to these Trade

Fixtures, at no cost to the Authority, or in the alternative, the Authority may dispose of the Trade Fixtures and charge Concessionaire all of its costs in disposing of the Trade Fixtures. Concessionaire shall remove its Trade Fixtures in a manner and at times that do not interrupt other business at the Airport or operations of the Airport. Concessionaire shall repair all damage done to the Premises or other Authority owned property resulting from the removal of Trade Fixtures and other personal property and shall restore the Premises and other Authority- owned property to the state of good repair that existed prior to the installation and, removal of Concessionaire's Trade Fixtures or other personal property, less normal wear and tear. In the event of dispute as to the affixed or -nonaffixed- nature of any Leasehold Improvements or Trade Fixtures, the Authority's determination shall be final and shall not be subject to mediation or any other form of dispute resolution or litigation.

8.12 Removal and Demolition

Concessionaire shall not replace, remove, or demolish, in whole or in part, any Leasehold Improvement on the Premises without the prior written approval of the Authority. The Authority may, in its sole discretion, condition such approval upon the obligation of Concessionaire to replace the Leasehold Improvement by a comparable improvement specified by the Authority.

9. MAINTENANCE OF PREMISES BY CONCESSIONAIRE

9.1 Maintenance

Concessionaire shall, at all times and at Concessionaire's sole expense, maintain in good repair and keep in a clean and orderly condition and appearance the Premises, including all Leasehold Improvements and Trade Fixtures located on and within the Premises whether installed by Concessionaire or by the Authority. The Authority shall be the sole judge of the quality of such maintenance. Without limiting the generality of the foregoing, Concessionaire shall maintain those specific items noted as the responsibility of Concessionaire on the Maintenance Matrix, attached as **Exhibit "K." Failure to maintain the Premises to the satisfaction of the Authority as required by this Lease and by the Maintenance Matrix shall be a Default as provided in Section 16.1.2 of this Lease.**

9.2 Repairs, Replacements and Remodeling

All repairs, replacements, or remodeling to the Premises done by or on behalf of Concessionaire shall be of first-class quality in both materials and workmanship and shall be equal to or better than the original in materials and workmanship. Except in emergency situations requiring immediate response, or for repairs costing less than Two Thousand Dollars (\$2,000.00), all repairs must have the prior written approval of the Authority. All repairs must meet or exceed the original specifications in quality, materials and workmanship and shall conform to the RDU Design Standards and all applicable rules and regulations of any federal, state, or local authority having jurisdiction over construction work performed on the Premises. Furthermore, Concessionaire shall maintain the Premises throughout the Term of the Lease in like-new condition and shall continue to comply with the standards of quality for materials and workmanship and all other standards set forth in this Lease. The Authority shall be the sole judge of the quality of the

repairs, replacements or remodeling performed. Prior to beginning any repair, replacement or remodeling work, except for the above described repairs, Concessionaire shall notify the Authority of what type of repairs, replacements, or remodeling work it intends to do and must secure written Authority approval of the same before beginning any such work. In the event of an emergency repair situation, Concessionaire must notify the Authority as soon as possible and following such notice, the Authority may inspect the repair work and require alterations if the repair is not satisfactory to the Authority.

9.3 SECTION LEFT INTENTIONALLY BLANK

9.4 Failure to Maintain or Repair

If Concessionaire refuses or neglects to undertake the prompt maintenance, repair, or replacements requested by the Authority; or if the Authority is required to make any repairs necessitated by the acts or omissions of Concessionaire, the Authority shall have the right to make such repairs on behalf of and for Concessionaire. Such work shall be paid for by Concessionaire within fifteen (15) days following written demand by the Authority for said payment. The Authority shall charge Concessionaire the cost of repairs at the Authority's labor rates, cost of materials, and the Authority's administrative costs, or, if the work is performed by the Authority's contractor, the Authority's actual cost and its administrative costs.

9.5 Damage Caused to Authority Property

Subject to Section 13.9, any damage caused to the Airport or any Authority property or operations or the property of any other tenant, person, or entity caused by Concessionaire, or as a result of the operations of Concessionaire, shall be the responsibility of Concessionaire and Concessionaire shall reimburse the Authority for any such damage paid for by the Authority on behalf of Concessionaire within fifteen (15) days of billing by the Authority. Any sums not paid as required shall be subject to the late payment provisions described in Section 4.9. If the same type of damage is caused by Concessionaire more than once, such as a water leak, electrical service interruption or damage, then the Authority must review and approve Concessionaire's plan of repair or may require that Concessionaire allow the Authority to make the repair and then reimburse the Authority for the cost of such repair.

9.6 Operation Costs

Except as provided in Section 10, Concessionaire shall bear, at its own expense, all costs of operating Concessionaire's business on the Premises.

9.7 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 Concessionaire's actual knowledge of the

condition, nuisance, or annoyance or receipt of oral or written notice from the Authority. If, in the Authority's sole discretion, a hazard or potentially hazardous condition presents an unreasonable and imminent risk of bodily injury, the Authority may require Concessionaire to close its business and bar the public from the Premises until the hazard or potentially hazardous condition has been abated. Nothing in this Section shall be deemed to preclude the Authority from pursuing any available remedy for breach of this Lease. Concessionaire's failure to promptly correct a nuisance, annoyance, or hazardous or potentially hazardous condition under this Section shall be a material breach of this Lease.

10. RESPONSIBILITIES AND RIGHT OF ACCESS

10.1 No Maintenance of Premises by the Authority

The Authority shall have no responsibility to maintain, repair, or replace any portion of the Premises, except as provided on the Maintenance Matrix, “**Exhibit K,**” or in Section 10.3.

10.2 Authority Provided Utilities, Garbage Service

Concession Fee includes non-exclusive use of the following utilities: electricity, heating and air conditioning, water and sewer for the Premises. These utilities are provided without additional charge to Concessionaire as long as Concessionaire's usage does not, in the Authority's opinion, exceed normal usage for an operation such as Concessionaire's, occupying the square footage that Concessionaire occupies. If the Concessionaire uses a utility in excess of an amount that the Authority deems reasonable when compared to other Airport concessionaires or other businesses similar in size and operations, then the Authority will charge Concessionaire for such excess usage. The amount charged to Concessionaire for excess use of utility services will be determined in the sole discretion of the Authority and will be based on the actual charge for such services. Similarly, the Authority will pay for removal of garbage disposed of by Concessionaire in the Authority's designated disposal area described in Section 6. Concessionaire may choose to use communications services provided by the Authority. Such services, where available, may be used by Concessionaire for an additional charge. If Concessionaire uses communications services that are not provided by the Authority, Concessionaire shall be responsible for the installation and operation of Concessionaire's own communications system. Gas service is not available in the terminal and may not be used.

10.3 Maintenance of Utility Systems

The Authority will be responsible for the maintenance of the systems supplying electricity, heat and cooling, water, and sewer to the Premises, unless Concessionaire causes damage to any of these systems by misuse, overloading or otherwise and in that case, the Authority shall repair the damage and charge Concessionaire the full cost of the repair which Concessionaire shall be obligated to repay to the Authority within fifteen (15) days of the date of Authority invoice for the repair work. Notwithstanding the foregoing, the Concessionaire is responsible for maintenance and repair of all utility systems located within the Premises, except for maintenance of the base building HVAC system and fire protection system, which the Authority shall maintain. If Concessionaire installs any

special utilities that serve only Concessionaire's Premises, the Concessionaire shall be responsible for their maintenance and upkeep. The Authority will attempt to make any repairs that it can make to the utility systems in a prompt and reasonable fashion. Concessionaire shall give the Authority or its contractor whatever access to the Premises that the Authority deems necessary in order to repair any problems. Notwithstanding the foregoing, the Authority shall have no responsibility or liability whatsoever for any interruption in utility services, including blackouts, brownouts or other cessation in service. The Authority reserves the right to terminate utility services if Concessionaire fails to pay Concession Fee or Additional Rent due under this Lease or if any other uncured Event of Default, as described in Section 16 exists, without liability for the same. No discontinuance of any utility services shall constitute a constructive eviction. If Concessionaire's construction requires alteration of the fire protection system (i.e. the sprinkler system) in any way, Concessionaire must notify the Authority, in writing, in advance, Concessionaire shall not proceed with the alteration until written Authority approval is given to proceed with such alteration.

10.4 Authority's Right of Access

The Authority, its agents and employees, shall have the right to enter the Premises from time to time, at reasonable times, to examine the same, and to make such repairs, alterations, improvements, or additions as the Authority is required or authorized to make under this Lease. During the last six (6) months of the Lease Term, the Authority may show the Premises to prospective tenants. In addition, during any emergency, the Authority or its agents may enter the Premises forcibly, if necessary, without liability therefor and without in any manner affecting Concessionaire's obligations under this Lease. Nothing herein contained, however, shall be deemed to impose upon the Authority any obligation, responsibility, or liability whatsoever, for any care, maintenance, or repair, except as otherwise herein expressly provided. The Authority shall also have the right at all times during this Lease, without advance notice, to enter the Premises in order to determine whether Concessionaire has complied with or is complying with the terms and conditions of this Lease. The Authority shall have the right to enter the Premises to cure any breach that remains uncured by Concessionaire after reasonable notice and opportunity to cure has been allowed Concessionaire.

11. RELOCATION, REDUCTION OR EXPANSION

11.1 Authority's Right to Relocate or Terminate

If at any time during the term of this Lease the Authority determines, in its sole judgment, that it is necessary for the efficient operation of the Airport that this Lease be terminated or that Concessionaire's operations be relocated, in whole or in part, the Authority may require Concessionaire to either relocate the effected locations or the Authority may terminate this Lease, with respect to the effected locations. If the Authority determines that relocation is not feasible and requires a reduction of more than thirty (30%) percent in the square footage of the entire Premises, Concessionaire may elect to terminate this Lease. Whenever possible, rather than terminate this Lease, the Authority will attempt to negotiate a mutually acceptable relocation space within the Airport, but Concessionaire acknowledges that relocation may not always be feasible. If a mutually acceptable space is not agreed to by Concessionaire and the Authority, the Authority will proceed with termination of the Lease as to the effected locations.

11.2 Temporary Closure, Expenses and/or Lost Profits

If the Authority requires Concessionaire to close one or more of the concession location within the Premises during the Lease Term, and such closure is for a period longer than thirty (30) days but less than six (6) months, the Authority will attempt to relocate Concessionaire to another suitable location and the Authority will pay Concessionaire's reasonable out-of-pocket moving expenses, but not lost profits. If a temporary closure will last longer than thirty (30) days, but an alternative suitable location is not offered to Concessionaire by the Authority, then Concessionaire will be entitled to make a claim against the Authority for lost profits caused directly by the temporary closure of Concessionaire's Premises. Lost Profits will be calculated by measuring the average profits earned by Concessionaire during all previous years or partial years of operation at the Premises during that same time period (i.e. the months that the store is closed), with any other relevant factors offered by the Authority or Concessionaire also being considered. If the parties cannot mutually agree upon an amount that is reasonable compensation for lost profits, the claim will be mediated in accordance with Section 19. Payment of any expenses claimed, including reimbursement expenses for moving, is subject to Concessionaire providing the Authority with receipts for the reasonable expenses and a showing of all reasonable efforts on the part of Concessionaire to keep its damages and expenses to a minimum. Compensation to be paid to Concessionaire for early permanent closure, relocation or reduction of the Premises by the Authority is described in Section 11.3.

11.3 Compensation for Termination, Permanent Relocation or Reduction

If the Authority terminates this Lease early for reasons other than an Event of Default, or if the Authority relocates Concessionaire on a permanent basis, or reduces Concessionaire's Premises on a permanent basis, then the Authority shall reimburse Concessionaire for the net book value of all Leasehold Improvements made and custom fabricated Trade Fixtures installed by Concessionaire that cannot be reasonably removed and reused by Concessionaire and/or that cannot be used by Concessionaire in a relocated or reduced Premises. Depreciation on Leasehold Improvements and custom fabricated Trade Fixtures is agreed to be straight line over the term of the Lease. If relocation or reduction, the Authority will pay the cost of moving Leasehold Improvements and Trade Fixtures and installing them in the new location. The Authority shall not be liable for or subject to any claim for interruption of business, lost profits, or other similar claims as long as the Authority gives Concessionaire at least ninety (90) days written notice of relocation or reduction and six (6) months written notice of early termination. If less than six (6) months' notice of early termination is given, the Authority will pay lost profits for that period of time of closure that occurs prior to expiration of the six (6) month period (example: if only four (4) months' notice of early termination is given, then Concessionaire will be paid for two (2) months lost profits). If this Lease is terminated due to an Event of Default, Concessionaire will be entitled to no reimbursement.

11.4 Notice

The Authority shall give Concessionaire at least ninety (90) days written notice before requiring Concessionaire to terminate this Lease early and at least sixty (60) days written notice to permanently relocate, or reduce the size of the Premises under Section 11.3 above.

12. CONCESSIONAIRE'S ENVIRONMENTAL OBLIGATIONS

12.1 Compliance with Laws

12.1.1 General

Subject to the provisions of Subparagraph 12.1.2, Concessionaire shall, at Concessionaire's own expense, comply fully and in a timely manner with all Environmental Laws and all other Laws applicable to the Premises or Concessionaire's business operations or other activities thereon. Concessionaire shall provide to the Authority on or before January 1 of each year a written certification of Concessionaire's compliance with the terms of this Paragraph. The certification shall identify any and all provisions of this Paragraph with which Concessionaire has not complied.

12.1.2 Challenges to Administrative Interpretations

Notwithstanding the provisions of Subparagraph 12.1.1, Concessionaire's noncompliance with an administrative interpretation of an Environmental Law shall not constitute a default under this Lease so long as Concessionaire diligently challenges the validity or application to Concessionaire of such administrative interpretation in a judicial or administrative adjudicatory proceeding (which includes any appellate proceedings regarding the original adjudication). Should Concessionaire prevail in such proceeding, the administrative interpretation so challenged shall not constitute a Law for the purposes of this Lease. Should the administrative interpretation ultimately be upheld in the adjudicatory proceeding, Concessionaire strictly shall Indemnify the Authority against any losses or Claims incurred by the Authority in connection with Concessionaire's noncompliance with the administrative interpretation.

12.2 Releases

12.2.1 Event of Release

In the event Concessionaire shall Release any Regulated Substance on or from the Premises, Concessionaire immediately shall (1) comply with all applicable Release Notification Requirements, (2) notify the Authority of the Release, and (3) clean up and remediate the Release pursuant to any applicable Environmental Law and to the Authority's satisfaction.

12.2.2 Third Party Release

In the event Concessionaire shall discover a Third Party's Release of any Regulated Substance on or from the Premises, Concessionaire immediately shall comply with all applicable Release Notification Requirements and notify the Authority of the Release. This does not limit the Parties' rights and obligations to each other with respect to Third Party Parties' Releases of Regulated Substances on or from the Premises. Such rights and obligations shall be determined on incident-specific bases according to the other provisions of this Lease and according to Law.

12.3 Security

Concessionaire reasonably shall secure the Premises against unauthorized entry by Third Parties.

12.4 Authority's Right to Audit Concessionaire's Compliance

12.4.1 Audit of Environment Compliance

The Authority reserves the right and privilege to audit Concessionaire (including, without limitation, the right to enter onto the Premises at reasonable times) to determine Concessionaire's compliance with the environmental requirements set forth in this Lease.

12.4.2 Response to Audit Request

Within thirty (30) days of the Authority's request, Concessionaire shall make available to the Authority for inspection and duplication all non-privileged documents and analyses prepared or generated by Concessionaire or on Concessionaire's behalf relating to Concessionaire's compliance with the environmental requirements of this Lease.

12.4.3 Non-Waiver

The Authority's failure at any time to audit Concessionaire's environmental compliance, or to identify to or discuss with Concessionaire any condition existing on the Premises, shall not waive the Authority's rights, privileges or remedies under this Lease. Further, no inspection or audit performed by the Authority shall constitute an approval or representation as to Concessionaire's compliance with this Lease or with any Environmental Law.

12.4.4 Authority's Rights and Privilege

The Authority's rights and privileges under this paragraph are limited to those activities necessary to evaluate Concessionaire's compliance with Environmental Laws. The Authority reserves no right or privilege to participate in Concessionaire's decision making with respect to environmental compliance matters.

12.5 Correspondence

Concessionaire shall copy the Authority simultaneously on all correspondence from Concessionaire to DEQ or EPA, which relates to the Premises. Within fifteen (15) days of receipt, Concessionaire shall forward to the Authority a copy of any correspondence received from DEQ or EPA, which relate to the Premises. Concessionaire's obligations under this Paragraph shall survive the expiration or termination of this Lease.

12.6 Permits, Response Plans

Concessionaire shall comply with any environmental permits issued by any public body, and all response plans required by any Environmental Law, which apply to the Premises or Concessionaire's activities thereon.

12.7 No Use of Hazardous Substances

12.7.2 Storage and Use of Hazardous Substances

Concessionaire shall not handle, store, generate, create, dispose, transport or discharge any Hazardous Substance on, about or from the Premises. This restriction shall not apply, however, to Concessionaire's use of ordinary office and janitorial supplies which are available over the counter for common use by members of the general public so long as such use is in small quantities for normal cleanup activities and in compliance with all Environmental Laws.

12.7.3 Material Safety Data Sheets

Concessionaire shall maintain Material Safety Data Sheets for each and every Hazardous Substance used by Concessionaire, Concessionaire's agents, employees, contractors, licensees or invitees on the Premises, as required under the Hazard Communication Standard in 29 CFR §1910.1200, as it may be amended, re-designated or re-titled from time to time, and comparable state and local statutes and regulations and, in order to ensure that such information is available to the Authority in the event of a spill or other emergency, all such information shall be kept current at all times and a copy of all such materials shall be kept in a place known to and easily accessible to the Authority.

12.8 Definitions

12.8.1 DEQ

DEQ means the North Carolina Department of the Environment Quality, and any successor agency thereto.

12.8.2 Environmental Law

Environmental Law means any Law relating to the regulation or protection of human health, safety, occupational safety and health, the environment or natural resources, or the Management of Regulated Substances.

12.8.3 EPA

EPA means the United States Environmental Protection Agency.

12.8.4 Hazardous Waste

Hazardous Waste means “hazardous waste”, as defined at 40 C.F.R. §261 and adopted at 15A NCAC §13A.

12.8.5 Hazardous Substance

Hazardous Substance means “Hazardous Substance” as defined in 29 C.F.R. §1910.120.

12.8.6 [RESERVED]

12.8.7 Law

Law means any federal, state or local law, statute, ordinance, regulation, common law theory of trespass, nuisance or ultra-hazardous activity and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree, judgment or notice of non-compliance or violation, which now is in effect or is hereafter enacted or amended.

12.8.9 Manage or Management

Manage or Management, with respect to any substance or material, means the manufacture, processing, distribution, use, possession, generation, transportation, labeling, identification, treatment, handling, storage, Release or threatened Release thereof.

12.8.9 Party and Parties

Party and Parties mean Concessionaire and the Authority, as the context would require.

12.8.10 Regulated Substance

Regulated Substance means any chemical, material, substance or waste the exposure to, access to, or Management of which is now or may hereafter be prohibited, limited or regulated by any Law or governmental body. Regulated Substances include, without limitation, any new, used or spent petroleum product or Solvent.

12.8.11 Regulatory Claim

Regulatory Claim means any claim, action, damage, penalty, loss, liability or expense arising from a violation of any environmental regulation or any un-permitted Release of a Regulated Substance.

12.8.12 Release

Release, with respect to any substance or material, means any spilling, leaking, pumping, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of such substance into the environment, or any other act or event, the occurrence of which would require containment, remediation, notification or similar response under any Law.

12.8.13 Release Notification Requirement

Release Notification Requirement means any requirement imposed by any Law to notify any Third Party of a Release of Regulated Substances.

12.8.14 Solvent

Solvent means tetrachloroethylene, trichloroethylene, methylene chloride, 1,1,1-trichloroethane, carbon tetrachloride, chlorinated fluorocarbons, chlorobenzene, 1,1,2-trichloro-1,2,2-trifluoroethane, ortho-dichlorobenzene, trichlorofluoromethane, 1,1,2-trichloroethane, xylene, acetone, ethyl acetate, ethyl benzene, ethyl ether, methyl isobutyl ketone, n-butyl alcohol, cyclohexanone, methanol, cresols, cresylic acid, nitrobenzene, toluene, methyl ethyl ketone, carbon disulfide, isobutanol, pyridine, benzene, 2-ethoxyethanol, 2-nitropropane and any other substance which may in the future be listed at 40 C.F.R. §61.31(a) (F001-F005) or 15A NCAC ° 13A.

12.8.165 Third Party

Third Party means any person or entity other than Concessionaire and the Authority and includes, without limitation, any governmental body, insurance carrier, private enterprise or individual.

13. INDEMNITY AND INSURANCE REQUIREMENTS

13.1 General Indemnity

Upon execution of this Lease, Concessionaire agrees to defend (using legal counsel reasonably acceptable to the Authority with the Authority understanding that legal counsel may be selected by an insurance carrier and the Authority agreeing that it will not object to use of such designated counsel without good cause), indemnify, and hold harmless the Authority, its elected and appointed officials, directors, officers, employees, contractors, and others working on behalf of the Authority (collectively, the "Authority Indemnitees"), from and against any and all claims, demands, suits, damages, expenses, costs, fines, fees, or losses (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, Environmental Costs and/or penalties (collectively "Costs") which may be imposed upon or claimed against the Authority or any Authority Indemnitee and which, in whole or in part, directly or indirectly, arise from or are in any way connected with: (a) any act, omission or negligence of Concessionaire; (b) any use, occupation, management or control of the Premises by Concessionaire, whether or not due to Concessionaire's

own act or omission and whether or not occurring on the Premises; (c) any condition created in or about the Premises by Concessionaire, including any accident, injury or damage occurring on or about the Premises after the execution of this Lease; (d) Concessionaire's violation or non-compliance with any law (including but not limited to any Environmental Law) or regulation, and, (e) any breach, violation or non-performance of any of Concessionaire's obligations under this Lease. Concessionaire shall not indemnify the Authority or any Authority Indemnitee to the extent of its or their gross negligence. For the purposes of this Section, Concessionaire shall include Concessionaire and Concessionaire's permitted subtenants and licensees, if any, and their respective partners, officers, directors, agents, employees, invitees, or contractors. Each party hereto shall give the other prompt and timely written notice of any claim made or suit instituted of which it has knowledge which in any way, directly or indirectly, affect or may affect the rights and liabilities of the other party.

13.2 Authority's Right to Recover Damages

Subject to Section 13.9, Concessionaire agrees to reimburse the Authority for any and all Costs which may be imposed upon, incurred or suffered by the Authority or the Authority Indemnitees and which, in whole or in part, arise from any of the following, except to the extent resulting from the Authority's or the Authority Indemnitees' negligent acts: (i) any act or omission of Concessionaire; (ii) any use, occupation, management or control of the Premises by Concessionaire, whether or not due to Concessionaire's own act or omission and whether or not occurring on the Premises; (iii) any condition created in or about the Premises by any party (other than the Authority), including any accident, injury or damage occurring on or about the Premises after the Effective Date; (iv) Concessionaire's violation or non-compliance with any law (including but not limited to any Environmental Law) or regulation, and (v) any breach, violation or nonperformance of any of Concessionaire's obligations under this Lease. For purposes of this Section 13.2, "Concessionaire" shall be deemed to include Concessionaire and Concessionaire's partners, officers, directors, employees, agents, and contractors.

13.3 Insurance Requirements

Insurance requirements set forth below do not in any way limit the amount or scope of liability of Concessionaire under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage that the Authority is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Concessionaire under this Lease shall meet the following minimum requirements of Sections 13.4 through 13.8.

13.4 Certificates & Endorsements; 30 Day Cancellation

On or before the execution of this Lease, Concessionaire shall provide the Authority with certificates of insurance establishing the existence of all insurance policies required under this Section. Thereafter, the Authority must receive notice of the expiration or renewal of any policy at least thirty (30) days prior to the expiration date or cancellation of any insurance policy. No insurance policy may be canceled without at least thirty (30) days prior written notice being given to the Authority. Each insurance policy shall contain the following provision: "This policy cannot be cancelled, reduced in amount, or coverage eliminated in less than thirty days (30) after mailing

written notice to the insured and the Authority of such alteration or cancellation, sent by certified mail.” Insurance must be maintained without any lapse in coverage during the entire Lease Term. Insurance canceled without Authority consent shall be deemed an immediate Event of Default under this Lease. The Authority shall also be provided a policy endorsement incorporating this cancellation provision into each policy. Failure of the Authority to demand such certificate or other evidence of full compliance with these insurance requirements, or failure of the Authority to identify a deficiency from the evidence provided, shall not be construed as a waiver of Concessionaire’s obligations to maintain the insurance required by this Lease.

13.5 Additional Insured

The Authority shall be named as an additional insured in each liability policy for ongoing and completed operations and as a loss payee in each property insurance policy. Concessionaire shall supply the Authority with a policy endorsement from the insurance carrier that the Authority is so named.

13.6 Primary Coverage

Liability policies shall be primary and non-contributory with any insurance held by the Authority.

13.7 Company Ratings

Policies of insurance must be written by companies having an A.M. Best rating of “A” - 5 or better or equivalent.

13.7.1 Deductibles and Retentions

Any deductible or self-insured- retention exceeding five percent (5%) of the per occurrence or per accident- limit of a required policy is subject to approval by the Authority.

13.8 Required Insurance

At all times during this Lease, Concessionaire shall provide and maintain the following types of coverage:

13.8.1 Commercial General Liability

Concessionaire shall maintain a commercial general liability policy or policies insuring against liability arising from premises (including loss of use thereof), operations, independent contractors, products completed- operations, personal injury and advertising injury, and liability insured under an insured contract (including the tort liability of another assumed in a business contract) occurring on or in any way related to the Premises or occasioned by reason of the operations of Concessionaire. Coverage shall be in the following amounts: Bodily Injury or Death or Property Damage Per Occurrence Limit - \$1,000,000, Damage to Premises Rented to You - \$1,000,000 and General Aggregate Limit \$2,000,000.

13.8.2 Commercial Automobile Liability

In the event that automobiles are used in connection with Concessionaire's business or operations at the Premises, Concessionaire shall maintain an automobile liability policy or policies insuring against liability for bodily injury, death, or damage to property, including loss of use thereof, and occurring in any way related to the use, loading or unloading of any of Concessionaire's automobiles (including owned, hired and non-owned vehicles) on and around the Premises. Coverage shall be in the following amounts: Combined Single Limit Bodily Injury & Property Damage, Any One Accident Limit - \$1,000,000.

13.8.3 Products – Completed Operations Liability

Concessionaire shall maintain the following coverage: Aggregate Limit of \$2,000,000.

13.8.4 Umbrella Excess Liability

Concessionaire shall maintain the following coverage: \$1,000,000 Per Occurrence and \$1,000,000 Aggregate coverage providing excess coverage on insurance required in Sections 13.8.1, 13.8.2, 13.8.3.

13.8.5 Workers' Compensation

Concessionaire shall maintain in force Workers' Compensation insurance for all of Concessionaire's employees in accordance with all requirements of North Carolina law. Concessionaire shall also maintain Employer's Liability coverage in an amount not less than \$1,000,000 per accident and \$1,000,000 per employee for disease. In lieu of such insurance, Concessionaire may maintain a self-insurance program meeting the requirements of the State of North Carolina and a policy of excess workers' compensation and employer's liability insurance.

13.8.6 Builder's Risk

During any construction activity, Concessionaire or its contractor shall obtain and maintain for the benefit of the parties to the Lease, as their interest may appear, "special peril" Builder's Risk insurance equal to one hundred percent (100%) of the value of the project. Coverage shall also include: (i) form work in place; (ii) form lumber on site; (iii) temporary structures; (iv) equipment; and (v) supplies related to the work while at the site. Concessionaire shall provide evidence of said coverage prior to the commencement of any construction activity. In the event Concessionaire fails to maintain such insurance, the Authority may, at its option, arrange therefor, and any premium incurred shall be reimbursed by Concessionaire to the Authority upon demand.

13.8.7 Business Interruption

Concessionaire shall maintain business interruption insurance for lost gross earnings and extra expense insurance which shall include coverage for all Concession Fees due under this Lease for a minimum of a six (6) month period. The proceeds of such insurance shall be used first to continue Concession Fee payments to the Authority.

13.8.8 Construction Payment and Performance Bonds

Prior to any commencement of any construction, alteration, or repair hereunder by Concessionaire which exceeds Twenty Thousand Dollars (\$20,000.00) in cost, Concessionaire shall furnish to the Authority, at Concessionaire's sole cost, evidence of performance and payment bond issued by a surety company licensed to transact business in the State of North Carolina and approved by the Authority, in a form approved by the Authority, naming Concessionaire as Obligee and its contractor as Principal therein. The penal amount of each bond shall be one hundred percent (100%) of the total contract cost of the contract or contracts for the construction, alteration, or repair. 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 the performance bond shall guarantee the full performance of the work.

13.8.9 Property Insurance

Concessionaire shall also maintain, in full force and effect during the Lease Term, "special peril" property insurance or equivalent, covering all Leasehold Improvements, Trade Fixtures, inventory, and all other property owned by Concessionaire or under the care, custody, and control of Concessionaire located on the Premises. Coverage shall be in an amount equal to one hundred percent (100%) of the replacement value. Such insurance shall include the insurer's waiver of subrogation in accordance with Section 13.9.

13.9 Waiver of Subrogation

Concessionaire shall endorse all liability policies (General Liability, Auto Liability, Employers Liability and Umbrella Liability) to contain a Waiver of Subrogation in favor of the Authority (including their respective employees, officers, commissioners, or agents).

13.10 Concessionaire's Risk

Concessionaire shall be responsible for obtaining any insurance it deems necessary to cover its own risks. In no event shall the Authority be liable for any: (a) business interruption or other consequential loss sustained by Concessionaire; (b) damage to, or loss of Concessionaire's property of any kind; or (c) damage to, or loss of, an automobile, whether or not such loss is insured, even if such loss is caused by the negligence of the Authority.

13.11 Periodic Review

The Authority shall have the right to periodically review the types, limits and terms of insurance coverage. In the event the Authority determines that such types, limits, and/or terms should

be changed the Authority will give Concessionaire a minimum of thirty (30) days' notice of such determination and Concessionaire shall modify its coverage to comply with the new insurance requirements of the Authority. Concessionaire shall also provide the Authority with proof of such compliance by giving the Authority an updated certificate of insurance within fifteen (15) days.

13.12 Survival of Indemnities

The indemnity agreements set forth in this Section 13 shall survive the expiration or earlier termination of the Lease and be fully enforceable thereafter.

14. ASSIGNMENT

Concessionaire shall not assign, transfer, sublease, pledge, hypothecate, surrender, or otherwise encumber, or dispose of this Lease or any interest created by this Lease, or any interest in any portion of the same, or permit any other person or persons, company or corporation to occupy the Premises, without first obtaining the written consent of the Authority, which consent may be granted or denied in the sole discretion of the Authority. These restrictions on assignment shall also apply to assignment of activities, uses, privileges, and obligations authorized under this Lease.

Concessionaire shall not have the right, without the prior specific written consent of the Authority, which consent may be withheld in the Authority's sole discretion, to assign, transfer, subcontract (except as specifically authorized herein), or in any way dispose of the rights and obligations of Concessionaire under this Lease. If Concessionaire is a corporation, limited liability company or partnership, then any transfer of the Lease by merger, consolidation or liquidation, or any change in ownership of shares of voting stock or other ownership interests resulting in a change of the present effective voting control of Concessionaire by the person, persons and/or entity having the present effective voting control of Concessionaire shares on the date of the Lease, shall constitute an assignment of this Lease, and as such, shall require the prior written consent of the Authority. It is expressly agreed by Concessionaire that, in the event consent by the Authority is given as herein provided, the assignee shall be required to assume and agree to perform the covenants of this Lease, and that notwithstanding any such subletting or assignment, Concessionaire shall be and remain liable for the performance of all covenants and conditions contained herein for the Lease Term unless the Authority specifically releases Concessionaire.

Notwithstanding anything to the contrary contained herein, nothing in this Lease shall be deemed to prohibit, and Concessionaire shall not require the Landlord's or the Authority's consent to, any assignment resulting from (i) a merger of the Concessionaire with an affiliate or subsidiary, or (ii) the purchase of all or substantially all of the stock or assets of the Concessionaire, provided that the net worth of the assignee shall not be less than the net worth of the Concessionaire at the time of the proposed transaction. Any change in control of Concessionaire's parent company shall not be deemed to be an assignment of this Lease.

Each and every agreement, term, provision and condition of the Lease shall extend to and be binding upon the successors and assigns of the parties hereto.

15. SANCTIONS FOR CERTAIN LEASE VIOLATIONS

Concessionaire's failure to adhere to the operating requirements set forth in this Lease are reasonably anticipated to result in significant inconvenience to the public, adversely affect the overall concession business of the Airport, and reduce the amount of Concession Fee to be paid to the Authority. Additionally, Authority resources will be expended in dealing with violations of this Lease by Concessionaire. The parties hereby agree that total damages sustained by the Authority for violations of the Sections of this Lease listed below could be significant but would be difficult to determine and to track. Therefore, the "Sanctions," as set forth and described in Exhibit H for violation of certain Lease terms are agreed to between the Concessionaire and the Authority to be reasonable Sanction amounts and reasonable estimates of the loss anticipated to be suffered or incurred by the Authority. Concessionaire, therefore, hereby agrees that imposition of the Sanctions is fair and reasonable, and Concessionaire agrees to pay immediately upon demand by the Authority the Sanction amounts specified in Exhibit H upon the occurrence of the specified breaches.

For the first violation in each category, a letter of warning will be issued. Violations must be corrected within thirty-six hours of delivery of the warning letter to the Manager. In addition, a copy of the warning letter will be sent to Concessionaire as required by Section 23.11.4 below. Sanctions will be imposed for any and all violations that occur subsequent to a letter of warning. Violations not corrected within thirty-six hours of delivery of a notice of a sanction will be subject to additional sanctions being imposed. Additionally, the Authority reserves the right, at its sole option, to impose the Sanction and also to seek any other remedies available to it for an Event of Default under Section 16, including termination of this Lease. If all or any of these Sanctions are found to be unenforceable, then the unenforceable Sanction(s) will be discontinued, but the violations shall continue to be covered by Section 16.1.2 and the remedies shall be as provided in Section 16. The Sanctions and Sanction amounts are subject to periodic change by the Authority. No change in Sanctions and Sanction amounts shall occur, however, without at least thirty (30) days prior written notice to Concessionaire.

16. DEFAULT

16.1 Event of Default

The occurrence of any of the following shall constitute an "Event of Default" (also referred to as a "Default"):

16.1.1 Default in Concession Fees

An Event of Default shall occur if Concessionaire fails to pay any Concession Fees or Additional Rent within ten (10) days of such payment being due. Failure to pay Concession Fees within ten (10) days of the due date constitutes an immediate Event of Default for which no further notice or opportunity to cure need be given.

16.1.2 Default in Other Covenants

An Event of Default shall occur if Concessionaire violates any term, covenant or condition of this Lease (other than the payment of Concession Fee described in Section 16.1.1) and

such violation is not cured within thirty (30) days after written notice by the Authority describing the nature of the violation. If the violation is of such a nature that it cannot be completely cured within the thirty (30) day period, this provision shall be complied with if Concessionaire begins correction of the violation within such thirty (30) day period and thereafter proceeds in good faith and with all due diligence to effect the cure as soon as practical. Notwithstanding the foregoing, the Authority shall not be required to give notice for a violation of the same provision of this Lease more than two (2) times during any twelve (12) month period of the Lease. Thereafter, a violation of the same provision of this Lease shall constitute an Event of Default for which no further notice or opportunity to cure need be given. Furthermore, if any violation of this Lease threatens to cause serious harm to the Authority or other tenants or persons, then the Authority shall not be required to serve any notice before proceeding to request immediate equitable relief, including, but not limited to, injunctive relief or specific performance.

16.1.3 Bankruptcy/Insolvency

The insolvency of Concessionaire shall be an Event of Default for which no notice or opportunity to cure need be given. For the purposes of this Lease, "Insolvency" shall, to the extent permitted by the United States Bankruptcy Code, be deemed to include (i) an assignment by Concessionaire for the benefit of creditors; (ii) the filing by Concessionaire of a voluntary petition in bankruptcy; (iii) if Concessionaire is an entity, Concessionaire dissolves; (iv) the appointment of a receiver of the properties of Concessionaire and the receiver is not discharged within forty-five (45) days; (v) the filing of an involuntary petition of bankruptcy and failure of Concessionaire to secure a dismissal of the petition within thirty (30) days after filing; (vi) attachment of or the levying of execution on the leasehold interest and failure of Concessionaire to secure discharge of the attachment or release of the levy of execution within thirty (30) days.

16.1.4 Cross-Default

The occurrence of an uncured breach, violation or Event of Default under any other agreement between the Authority and Concessionaire shall be, at the option of the Authority an Event of Default under this Lease.

16.1.5 Material Misrepresentation

An Event of Default for which no notice or opportunity to cure need be given, may be declared, at the Authority's option, if the Authority discovers that Concessionaire made a material misrepresentation to the Authority which induced the Authority to enter into this Lease.

16.2 Remedies on Default

Immediately upon the occurrence of an Event of Default, and following any applicable cure period, the Authority may, at its option, exercise any of the following rights and remedies, in addition to any other rights and remedies provided elsewhere in this Lease or otherwise at law or in equity:

16.2.1 Termination of Lease

The Authority may terminate this Lease and Concessionaire's right to possession. Any notice to terminate may be given before or within the applicable cure period and may be included in a notice of failure of compliance.

16.2.2 Re-Entry

Without accepting surrender, the Authority may re-enter the Premises, or any part thereof, by suitable action or proceeding at law, or by force or otherwise, without being liable for indictment, prosecution or damages therefor, and may repossess the Premises and remove any person or property therefrom, to the end that the Authority may have, hold and enjoy the Premises.

16.2.3 Reletting

Following re-entry, the Authority may relet the whole or any part of the Premises from time to time, either in the name of the Authority or otherwise, to such tenants, for such terms ending before, on or after the Expiration Date of this Lease, at such rentals and upon such conditions (including concessions and free rent periods) as the Authority may determine to be appropriate. To the extent allowed under North Carolina law, the Authority shall not be liable for refusal to relet the Premises, or, in the event of any such reletting, for failure to collect any rent due upon such reletting; and no such failure shall operate to relieve Concessionaire of any liability under this Lease or otherwise affect any such liability. The Authority may make such physical changes to the Premises as the Authority considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Concessionaire of any liability under this Lease or otherwise affecting Concessionaire's liability. If the Authority has other unleased space, the Authority shall have no obligation to attempt to relet the Premises prior to leasing such other unleased space. To the extent allowed under North Carolina law, the Authority shall have no obligation to mitigate Concessionaire's damages and shall not be required to attempt to relet the Premises to a potential Concessionaire with whom the Authority has been negotiating a lease for other space owned by the Authority or to whom the Authority has shown other space owned by the Authority. If the Authority has relet all or any part of the Premises for the period which otherwise would have constituted all or any part of the unexpired portion of the Lease Term, the amount of Concession Fee reserved on such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Lease shall not constitute a termination of the Lease or an acceptance of surrender of the Lease.

16.2.4 Damages

Whether or not the Authority retakes possession or relets the Premises, the Authority shall have the right to recover damages immediately, without waiting until the due date of any future Concession Fee or until the date fixed for expiration of this Lease, which damages, shall include, but not be limited to the following: (i) all Concession Fees and Additional Rent lost, calculated through the Expiration Date, subject only to the statutory requirements to mitigate damages, if any; (ii) all legal expenses and other related costs incurred by the Authority as a result

of Concessionaire's Default; (iii) all costs incurred by the Authority in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting, including, without limitation, removal and disposal of Concessionaire's property and Trade Fixtures; and (iv) all costs incurred by the Authority in reletting the Premises, including, without limitation, any advertising costs, brokerage commissions and the value of the Authority's staff time expended as a result of the Default. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major North Carolina banks in effect on the date of trial.

16.2.5 Right to Sue More than Once

The Authority may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages shall bar a later action for damages subsequently accruing.

16.2.6 Right to Draw on Security Deposit

For Lease violations or Events of Default, other than the failure to pay Concession Fee or Additional Rent, that may be remedied, or partially remedied, by the payment of money, the Authority shall be entitled to draw upon the Security Deposit within ten (10) days after giving notice to Concessionaire that it intends to draw on the Security Deposit if Concessionaire does not cure the violation or Event of Default, or begin diligent efforts to cure the violation of Event of Default, within that ten (10) day time period. The Security Deposit may be drawn upon to pay Concession Fee or Additional Rent at any time after the Concession Fee or Additional Rent is past due.

16.3 Remedies Cumulative and Non-Exclusive

Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease or existing at law or in equity, including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by the Authority of any such rights or remedies will not preclude the simultaneous or later exercise by the Authority of any other such rights or remedies. All such rights and remedies are non-exclusive.

16.4 Curing Concessionaire's Default

If Concessionaire fails to perform any of Concessionaire's obligations under this Lease, the Authority, without waiving such failure, may (but shall not be obligated to) perform the same for the account of and at the expense of Concessionaire, without notice in a case of emergency, and in any other cases, only if such failure continues after the expiration of thirty (30) days from the date the Authority gives Concessionaire notice of the failure. The Authority shall not be liable to Concessionaire for any claim for damages resulting from such action by the Authority. Concessionaire agrees to reimburse the Authority, upon demand, any amounts the Authority may spend in complying with the terms of this Lease on behalf of Concessionaire. The Authority shall have the same rights and remedies in the event of the non-payment of sums due to be reimbursed under this Section as in the case of Default by Concessionaire in the payment of any other Concession Fee. Any sums to be so reimbursed shall bear interest at the Delinquency Rate.

17. DEFAULT OF THE AUTHORITY

17.1 Events of Default

An Authority Event of Default shall occur if the Authority fails to perform of any covenant or agreement required to be performed by the Authority under this Lease and the failure of the Authority to remedy such default for a period of thirty (30) days after receipt from Concessionaire of written notice to remedy the same. Provided, however, this time period to cure shall be extended if the Authority is pursuing cure of its Default, in good faith.

17.2 Remedies on the Authority Default

If an Event of Default by the Authority shall occur and not be cured, Concessionaire may declare this Lease and all rights and interests created by it to be terminated. Concessionaire shall be entitled to collect its actual, but not consequential damages. Except as otherwise specifically provided in this Lease, Concessionaire expressly waives any claim for loss of anticipated profits, business, or any other consequential damages of any nature.

18. DAMAGE OR DESTRUCTION OF PREMISES

18.1 Partial Damage

If Premises (which term, for purposes of this Section 18, includes only the unfinished floors, bare walls, and unfinished ceilings of the area in the Terminal Building) are partially damaged through no fault of Concessionaire ("Partial Damage" meaning less than fifty percent (50%) damaged), but not rendered untenable, the same shall be repaired with due diligence by the Authority at the Authority's cost and expense, and Concession Fee shall be proportionately reduced up to the time that the Premises are fully restored. In the event of such Partial Damage, Concessionaire shall be responsible for the cost of rebuilding everything except the above items identified above as the Authority's responsibility.

18.2 Extensive Damage

In the event the Premises are extensively damaged or destroyed (meaning more than fifty percent (50%) damaged or destroyed) through no fault of Concessionaire (the "Event"), the Authority shall be under no obligation to repair or reconstruct the Premises, and Concession Fee payable under this Lease shall be paid up to the time of such damage or destruction and shall then cease. The Authority may, however, at its option, elect to rebuild and in that case the Authority shall notify Concessionaire within twenty (20) days of the Event if it intends to rebuild. If the Authority elects to rebuild, it will be responsible only to rebuild the unfinished bare wall, unfinished floor (meaning sub-floor) and unfinished ceilings and Concessionaire will be required to rebuild everything else. If the Authority does rebuild, it must complete rebuilding within six (6) months of the Event. If the Premises have not been rebuilt by the Authority within six (6) months of the Event, Concessionaire may give the Authority written notice of its intention to terminate this Lease in its entirety as of the date of such damage or destruction.

18.3 Concessionaire Caused Damage

If Concessionaire caused the damage described in Sections 18.1 or 18.2, Concessionaire shall pay for full rebuilding costs, except to the extent of the waiver of subrogation set forth in Section 13.9. In the event of extensive damage, the Authority may elect not to rebuild and may terminate this Lease without any liability to Concessionaire.

18.4 Limits of the Authority's Obligations Defined

It is understood that, in the application of the above Sections 18.1 and 18.2, the Authority's obligations shall be limited to the repair or reconstruction of the Premises to its condition as of the Effective Date. Redecoration, Leasehold Improvements, Trade Fixtures, inventory, and replacement of all of Concessionaire's furniture, equipment, inventory and supplies shall be the responsibility of Concessionaire and any such redecoration and refurnishing/re-equipping shall be of equivalent quality to that originally installed under the terms of this Lease.

18.5 Damage or Destruction of Leasehold Improvements

Should the Leasehold Improvements or any part of them be destroyed or damaged, they shall in all instances be repaired or replaced by Concessionaire, whether or not the damage or destruction is covered by insurance. In the event construction of the Premises shell is necessary, Concessionaire shall not be obligated to repair or replace if the Authority elects not to rebuild the Premises shell. If Concessionaire fails to repair or replace damaged Leasehold Improvements in accordance with a schedule agreed to by the Authority and Concessionaire, and provided that this Lease has not been canceled, the Authority may make such repairs or replacement and recover from Concessionaire the cost and expense of such repair or replacement, plus an additional twenty-five percent (25%) over and above the actual cost which the parties agree is a reasonable amount for the Authority to charge to cover its administrative costs.

18.6 No Duty to Protect

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

19. MEDIATION

Should any dispute arise between the parties to this Lease other than and excepting disputes regarding: (a) failure to pay Concession Fees or any Additional Rent as required by this Lease; (b) possession; (c) hours of operation; or (d) any other matters stated elsewhere in this Lease as not being subject to mediation, then it is agreed that such other dispute will be submitted to non-binding mediation prior to any litigation. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in the RDU Center of the Authority, unless both parties agree otherwise. Both parties agree to exercise good faith efforts to resolve disputes through the mediation process. If a party requests mediation and other party fails

to respond within ten (10) days, or if the parties fail to agree on a mediator within ten days, a mediator shall be appointed by the presiding judge of the Wake County Superior Court upon the request of either party. The parties shall retain all rights at law or in equity with respect to any dispute not covered by this Section and also with respect to those disputes covered by this Section after mediation has been completed.

20. TERMINATION

20.1 Duties on Termination

By the Expiration Date or upon the earlier termination of the Lease, Concessionaire must have fully performed all of its obligations under this Lease, including: (i) clean-up of the Premises and restoration to a condition similar to that which existed at the commencement of this Lease, ordinary wear and tear excepted; (ii) delivery of all keys to any Improvements located on the Premises to the Authority; (iii) removal of all Personal Property, as provided in Section 20.3; (iv) removal of any Improvements in accordance with Section 20.2; and (v) performance of any other obligations required to be performed prior to termination under this Lease. Failure to satisfy any of the above shall allow the Authority, at the Authority's sole option, to treat Concessionaire as a holdover tenant or tenant at sufferance, as provided in 1.3, until such time as Concessionaire has fulfilled all of its obligations under this Lease. For the purpose of this Section 20, ordinary wear and tear shall not include deterioration that could have been prevented by proper maintenance practices or by Concessionaire performing all of Concessionaire's obligations under this Lease.

20.2 Title to Improvements upon Termination

All Leasehold Improvements (whether constructed by Concessionaire or the Authority) located on the Premises at the expiration or earlier termination of this Lease, shall at the Authority's option, become the sole property of the Authority. Notwithstanding the foregoing, the Authority reserves the right to require Concessionaire to remove any Leasehold Improvements that it does not wish to own, whether constructed by Concessionaire or the Authority, from the Premises upon termination of this Lease. Such Leasehold Improvements shall be removed within the time frame set forth in Section 20.4. The Authority will give Concessionaire notice of Leasehold Improvements it will require Concessionaire to remove at least sixty (60) days in advance of the Expiration Date. The Authority reserves the right to require removal of Leasehold Improvements on shorter notice if concessionaire has allowed their condition to deteriorate during the last sixty (60) days of this Lease.

20.3 Concessionaire's Personal Property

At or before the termination of this Lease, Concessionaire, at Concessionaire's expense, shall remove from the Premises any and all of Concessionaire's personal property, vehicles, dumpsters or other property and shall repair any damage to the Premises. Any items of concessionaire's personal property which remain on the Premises after the termination date of this lease may either be: (i) retained by the Authority without any requirement to account to Concessionaire therefore; or (ii) removed and disposed of by the Authority, with the Authority being entitled to recover all costs thereof from concessionaire.

20.4 Time of Removal

The time for removal of any property which Concessionaire is required to remove from the Premises upon termination shall be as follows: (i) within 14 days of the Expiration Date; or (ii) if this Lease is terminated prior to the Expiration Date, then all removal must occur within ten (10) days of the actual termination date and Concessionaire must continue to pay all Concession Fees due during that period, as set forth in Section 1.3.

21. ACDBE Participation

The Authority has developed and implemented an Airport Concession Disadvantaged Business Enterprises (ACDBE) program as required by 49 CFR Part 23 and 49 CFR Part 26. Concessionaire agrees to ensure that ACDBEs, as defined in 49 CFR Part 23 and Authority's ACDBE Program, have a fair opportunity to participate in the performance of this Contract. Concessionaire will take all necessary and reasonable steps in accordance therewith to ensure that ACDBEs are encouraged to compete for and perform subcontracts related to the construction, administration and operation of the concession continually throughout the term of this Lease. Concessionaire specifically agrees to comply with all applicable provisions of the Authority's ACDBE Program and any amendments thereto. ACDBE and Non-ACDBE sub-concessionaires shall also be required to agree to comply with all applicable provisions of the Authority's ACDBE Program.

21.1 Non-Discrimination

A. Concessionaire and any subcontractor of Concessionaire will not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. Concessionaire will carry out applicable requirements of 49 CFR Part 23 in the award and administration of agreements. Failure by Concessionaire 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 Authority deems appropriate.

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

Concessionaire agrees to include the statements in paragraphs (A) and (B) above in any subsequent concessions agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

21.2 ACDBE Participation Goal and Good Faith Efforts

Concessionaire agrees that it will provide for a level of ACDBE participation in this Agreement equal to or greater than 5% of the total annual Gross Receipts, or clearly demonstrate in

a manner acceptable to Authority its good faith efforts to do so. Concessionaire will contract with the ACDBEs identified by Concessionaire on the ACDBE Commitment Form and approved by the Authority. Concessionaire is required to make good faith efforts to explore all available options to meet the goal to the maximum extent practicable through direct ownership arrangements with ACDBEs.

Concessionaire shall not take any action during the term of this Lease that may have a materially negative impact upon the Concessionaire's ability to meet its stated ACDBE goal. Concessionaire has a continuing obligation to meet its ACDBE participation commitment. If amendments or other modifications are made to agreements with ACDBE, Concessionaire shall immediately inform the Authority in writing. Concessionaire must make good faith efforts to maintain its ACDBE participation commitment.

21.3 ACDBE Termination and Substitution

Concessionaire will not terminate an ACDBE for convenience without the Authority's prior written consent. If an ACDBE is terminated by Concessionaire with the Authority's consent or, if an ACDBE fails to complete its work on the Contract for any reason, Concessionaire must follow the provisions herein governing the substitution of ACDBE and make documented good faith efforts to meet its original ACDBE/DBE participation commitments in accordance with the requirements of 49 CFR Part 23.25(e) (1) (iii) and (iv).

Concessionaire cannot terminate or otherwise change the terms of its ACDBE commitments without the prior written consent of the Authority. This includes, but is not limited to, instances in which the Concessionaire seeks to perform work originally designated for an ACDBE firm with its own forces or those of an affiliate, a non-ACDBE or another ACDBE.

21.4 ACDBE Program Monitoring

Authority will monitor the compliance and good faith efforts of Concessionaire in meeting the requirements of this Article. Authority will have access to the necessary records to examine such information as may be appropriate for the purpose of investigating and determining compliance with this Article, including, but not limited to: records, records of expenditures, contracts between Concessionaire and the ACDBE participants, and other records pertaining to the ACDBE participation plan, which Concessionaire will maintain for a minimum of three (3) years following the termination of this Contract. The extent of ACDBE participation will be reviewed prior to the exercise of any renewal, extension or material amendment of this Contract to consider whether an adjustment in the ACDBE requirement is warranted. Without limiting the requirements of this Contract, Authority reserves the right to review and approve all subleases or subcontracts utilized by Concessionaire for the achievement of these goals. Concessionaire shall maintain records showing:

- a) Subcontract/supplier awards, including awards to ACDBE/DBEs;
- b) Specific efforts to identify and award such contracts to ACDBE/DBEs; and/or

- c) Executed contracts with ACDBE/DBEs showing actual ACDBE/DBE project participation.

21.5 Joint Ventures

Concessionaire shall submit all joint venture agreements and supporting documentation to the Authority and Authority's Small Business Program Office for review prior to contract award. For the purpose of ACDBE participation, the Authority will review the following areas of the joint venture agreement for compliance with CFR 49 Part 23. Concessionaire and the proposed ACDBE partner shall provide access to all documentation requested to review the proposed joint venture. Failure to provide requested documentation will result in rejection of the proposed joint venture for ACDBE participation purposes. The Authority shall notify Concessionaire and the ACDBE partner in writing of the final approval of the joint venture ACDBE participation rate. The Concessionaire shall not alter or amend the approved joint venture agreement without the approval of the Authority. The Authority review of proposed joint venture agreements will include, but not be limited to, the following items:

- a) Capital Contributions - The capital contributions of party should be clearly stated in the agreement.
- b) Control - The ACDBE participant(s) should have control in proportion to their ownership interest and proportionate control of the governance of the joint venture.
- c) Management - The ACDBE participant(s) must share in the overall and day to day management of the joint venture.
- d) Risks - Each of the participants in the joint venture must share in the risks of the business in proportion to their ownership interest.
- e) Profits - Each of the participants must share in the profits and losses in proportion to their ownership interest.
- f) Funding Sources - Loans from the non-ACDBE participant(s) and to the ACDBE participant(s) will be reviewed.
- g) Charges for Inventory, Supplies or Services - The agreement should not mandate that the ACDBE participant(s) or joint venture to purchase inventory, supplies, or services from the non-ACDBE participant.
- h) Length of Term - The term of the joint venture cannot exceed the term of the concession agreement with the airport.
- i) ACDBE Certification Matches the Work of the Joint Venture - The ACDBE firms must be certified in the type of work to be undertaken by the joint venture.

- j) Dissolution Language - The agreement should specify the terms and condition for dissolution of the joint venture.

21.6 Subleases

Concessionaire shall submit ACDBE sublease agreements and supporting documentation to the Authority and Authority's Small Business Program Officer for review prior to contract award. For purpose of ACDBE participation, the Authority will review the following areas of the proposed sublease agreement for compliance to CFR 49 Part 23. Concessionaire and the proposed ACDBE sub-concessionaire shall provide all documentation requested to review the proposed sublease agreement. Failure to provide requested documentation will result in rejection of the sublease agreement for ACDBE participation purposes. The Authority shall notify Concessionaire and the ACDBE partner in writing of the final approval of the sublease ACDBE participation rate. The Authority review of proposed subleases will include, but not be limited to, the following items:

- a) Management - The ACDBE participant(s) must share in the overall and day to day management of the sublease.
- b) Funding Sources - Loans from the non-ACDBE participant(s) and to the ACDBE participant(s) will be reviewed.
- c) Length of Term - The term of the sublease cannot exceed the term of the concession agreement with the airport.
- d) ACDBE Certification Matches the Work of the Sublease - The ACDBE firms must be certified in the type of work to be undertaken by the sublease.

21.7 Vendor Contracts

Concessionaire shall submit ACDBE management contracts and service fees with supporting documentation to the Authority and Authority's Small Business Program Officer for review. The Authority will review management contracts and service fees for industry standards in counting ACDBE participation. The Authority will also verify that the certification of an ACDBE vendor matches the roles of the ACDBE vendor in the agreement. Concessionaire and the ACDBE vendors shall provide all documentation requested to review the vendor contract. Failure to provide requested documentation will result in rejection of the vendor contract for ACDBE participation purposes. The Authority shall notify Concessionaire and the ACDBE partner in writing of the final approval of the ACDBE-vendor contract participation rate. Concessionaire agrees to comply with other provisions of the ACDBE Program. ACDBE participation through joint venture is subject to 49 CFR Part 23 and the Airport Concessions Disadvantaged Business Enterprise Joint Venture Guidance, dated July 2008 (as may be revised).

21.8 ACDBE Program Reports

Witihin 30 days of the end of each calendar quarter, Concessionaire shall furnish a report certified by an officer of the Concessionaire's company that indicates the total value of participation

from certified ACDBEs for its' Airport operations during the calendar quarter and for the year to date (October 1 through September 30). This report should be used to report the ACDBE participation achieved from gross receipts or the use of vendors or contracted service providers, as applicable. Concessionaire shall report this information electronically utilizing the Authority's Contract Compliance System. In the event that ACDBE participation is derived through the activities of a joint venture, the Concessionaire shall also submit a quarterly report of the joint venture's activities. Examples of the required reports are provided for reference in Exhibit "L".

21.9 Compliance

If Concessionaire is delinquent for ten (10) days or more in furnishing to the Authority any of the ACDBE Participation Reports required under this Lease, Concessionaire shall pay the Authority a One Hundred Dollar (\$100.00) late fee for each month or partial month that the ACDBE Participation Report is delinquent, as liquidated damages for the additional administrative costs incurred by the Authority in processing, reviewing, and demanding the ACDBE Participation Report.

Failure to comply with the requirements of the ACDBE Program or failure to meet the ACDBE goal set forth in Section 21.2 or to demonstrate a good faith effort to do so, shall be an Event of Default hereunder.

22. Subleasing

22.1 Subtenant Experience

Each subtenant must have recent, satisfactory experience in the ownership and/or operation of business similar in type to the proposed sublease use. The Authority shall be the sole judge of the experience of a proposed subtenant.

22.2 On-Site Management

Each subtenant must cause one or more of its principal owners and/or management employees to spend a significant amount of time on-site focused on the operation of such subtenant's business. Such subtenant representative may not be an employee of Concessionaire.

22.3 Terms of Subleases

22.3.1 Prime Lease

Each sublease to this Lease is in all respects subject and subordinate to this Lease. The terms of this Lease shall be reviewed with each subtenant, and each subtenant will confirm in the sublease that such review has occurred. A copy of this Lease shall be attached as an exhibit to each sublease.

22.3.2 Subtenant Concession Fees

Concessionaire is restricted in its charges of rental payments to its subtenants to payment by each subtenant of Concession Fees at rates no higher than the rates required of Concessionaire under this Lease.

22.3.3 SECTION INTENTIONALLY LEFT BLANK

22.3.3 Subtenant Premises

Concessionaire must offer to deliver those portions of the Premises to be sublet to subtenants in a finished condition including all trade fixtures.

22.3.4 Term

The term of each sublease shall commence on the DBO for the specific location and shall expire no later than the Expiration Date.

23. GENERAL PROVISIONS

23.1 Attorney Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code), is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. If the Authority is required to seek legal assistance to enforce any term of this Lease, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires Concessionaire to defend the Authority, it is agreed that such defense shall be by legal counsel reasonably acceptable to the Authority, understanding that defense may be supplied through an insurance carrier.

23.2 Jurisdiction

This Lease and all claims or disputes arising out of or relating to this Lease or its subject matter are governed by the laws of the State of North Carolina, without regard to its conflict of laws provisions, and any action, claim or proceeding arising out of or relating to this Lease must be brought only in the North Carolina District Court for Wake County, North Carolina or the United States District Court for the Eastern District of North Carolina. Each party hereby waives any objection, including any objection based upon improper venue or *forum non conveniens*, that it may have, now or in the future, to the bringing of any action, claim or proceeding in the North Carolina

District Court for Wake County, North Carolina or the United States District Court for the Eastern District of North Carolina.

23.3 Amendment

Subject to Section 23.19, any amendment, modification, or alteration of this Lease shall be effective only if mutually agreed upon, reduced to writing, and signed by the appropriate representatives or officers of both parties.

23.4 Relationship of Parties

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

23.5 Lease Subject to Non-discrimination

Concessionaire, for itself, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (a) 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 on the grounds of race, color, national origin or sex; (b) that in the construction of any improvements on Premises and the furnishing of services thereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (c) that the Concessionaire shall use the Premises in compliance with all other requirements imposed or pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, and as said Regulations may be amended.

23.5.1 General Civil Rights Provisions

The Concessionaire agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure 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 with or benefiting from Federal assistance. If the Concessionaire transfers its obligation to another, the transferee is obligated in the same manner as the Concessionaire.

This provision obligates the Concessionaire for the period during which the property is owned, used or possessed by the Concessionaire and the airport remains obligated to the Federal

Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

23.6 Lease Subject to Agreements with United States and the State of North Carolina

This Lease shall be subject to the provisions of any existing or future agreement between the Authority and the State of North Carolina and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Concessionaire, for itself, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event improvements are constructed, maintained, or otherwise operated on the Premises described in this Lease for a purpose for which a Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, the Concessionaire shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, and as said Regulations may be amended.

23.7 Security

Concessionaire recognizes its obligations to comply with Federal Airport Security Regulations. Concessionaire will reimburse the Authority, in full, for any fines or penalties levied against the Authority for security violations as a result of any actions on the part of Concessionaire, its agents, contractors, suppliers, guests, customers, or employees and for any attorney fees or related costs paid by the Authority as a result of any such violation.

23.8 Disadvantaged Business Policy

It is the policy of the Department of Transportation that disadvantaged business enterprises, as defined in 49 CFR Part 23, shall have the maximum opportunity to participate in the performance of leases as defined in 49 CFR 23.5. Consequently, this Lease is subject to 49 CFR Part 23, as applicable or if applicable. Concessionaire agrees that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with the award and performance of any contract, including leases, if covered by 49 CFR Part 23, on the grounds of race, color, national origin, or gender. Concessionaire agrees to include the above statements in any subsequent concession agreement or lease that it enters and cause those businesses similarly to include the statements in any further agreements or lease.

23.9 Affirmative Action

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

further assures that it will require its covered suborganizations to provide similar assurances to Concessionaire that they will similarly undertake affirmative action programs and require assurances from their suborganizations to the same effect.

23.10 Non-waiver of Rights.

No waiver of Default or violation of this Lease by either party of any of the terms, covenants, and conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent Default or violation of any of the terms, covenants, or conditions herein contained, to be performed, kept, and observed by the other party.

23.11 Notices

All notices, consents and approvals required or authorized by this Lease to be given by or on behalf of either party to the other shall be in writing and signed by a duly authorized representative of the party by or on behalf of whom the same are given, and shall be deemed complete at the time sent or delivered in accordance with the requirements of Sections 23.11.3 and/or 23.11.4, respectively.

23.11.1 Lease Point of Contact for Authority

The Authority's Lease administrator shall be the Director of Concessions, who shall communicate and coordinate all matters related to this Lease through and with Concessionaire's designated point of contact. The Director of Concession can be reached at the office of the Raleigh-Durham Airport Authority, 1000 Trade Drive, P.O. Box 80001, RDU Airport, North Carolina 27623-0001 or to such other place as the Authority may designate by notice to the Concessionaire in writing. Communication may also be sent to RDUConcessionsCompliance@rdu.com.

23.11.2 Lease Point of Contact for Concessionaire

Initially, the Concessionaire's Lease administrator shall be _____ who shall communicate and coordinate all matters related to this Lease through and with the Authority's designated point of contact. The _____ can be reached at _____ or to such other place as Concessionaire may designate by notice to the Authority in writing. In the event of a change to Concessionaire's Lease administrator, Concessionaire shall provide notice to the Authority of the new Lease administrator with contact information within 30 days of the change.

23.11.3 Notice to Authority

Notices to the Authority shall be addressed to President and CEO at the office of the Raleigh-Durham Airport Authority, 1000 Trade Drive, P.O. Box 80001, RDU Airport, North Carolina 27623-0001, and sent by first class U.S. Postal Service mail properly addressed and postage prepaid, sent by registered or certified mail, return receipt required, or by electronic mail to President@rdu.com or by a generally recognized express delivery service or by hand delivery to

the address stated hereinabove or to such other place as the Authority may designate by notice to the Concessionaire in writing.

23.11.4 Notice to Concessionaire

Notices to the Concessionaire shall be sent by first class U.S. Postal Service mail properly addressed and postage prepaid, sent by registered or certified mail, return receipt required, or by electronic mail sent to the email address(es) provided below or by a generally recognized express delivery service . Initially, notices to the Concessionaire shall be addressed to:

Attention:

Email:

and

Attention:

or

to such other place or person as the Concessionaire may designate by notice to the Authority in writing.

23.12 Captions

The headings and section titles of this Lease are not part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease.

23.13 Calculation of Time

Unless referred to as Business Days, all periods of time referred to in this Lease shall include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or legal holiday, then the period shall be extended to include the next day which is not a Saturday, Sunday or Legal Holiday. "Legal Holiday" shall mean any holiday observed by the Federal Government. "Business Days" shall mean Monday through Friday and shall exclude Saturday, Sunday and Legal Holidays.

23.14 Severability

If one or more clauses, sections, or provisions of this Lease shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Lease and the enforceable part of unenforceable provisions shall remain in full force and effect.

23.15 Waiver of Claims

Concessionaire hereby waives any claim against the Authority for loss of anticipated profits caused by any suit or proceedings attacking the validity of this Lease or any part of this Lease,

or by any judgment or award in any suit declaring this Lease null, void, or voidable, or delaying the Lease or any part of it being carried out.

23.16 Reserved Rights

23.16.1 Rights Not Expressly Granted

Any and all rights and privileged not expressly granted to Concessionaire by this Lease are hereby reserved for and to the Authority.

23.16.2 Right to Develop Airport

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

23.16.3 Right to Maintain

The Authority reserves the right, but shall not be obligated to Concessionaire, to maintain and keep in repair the terminals and landing areas of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Concessionaire in this regard.

23.16.4 Right of Flight

There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport.

23.16.5 No Limit on Authority's Powers

Nothing in this Agreement shall limit, in any way, the power and right of the Authority to exercise its governmental rights and powers, including its powers of eminent domain.

23.17 Incorporation of Exhibits and Other Documents

All Exhibits and documents attached to and referred to in this Lease are intended to be and hereby are specifically made a part of this Lease.

23.18 Successor and Assigns

This Lease shall be binding upon and inure to the benefit of the successors and assigns of the Authority and Concessionaire where permitted by this Lease.

23.19 Modifications Required by FAA

In the event that the Federal Aviation Administration 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, Concessionaire 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 Federal Aviation Administration requirements.

23.20 Time of the 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.

23.21 Authority Consent or Action

In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be the sole and unfettered discretion of the Authority, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires the Authority's consent or approval or permits the Authority to act, such consent, approval or action may be given or performed by the Authority Board, the President of the Authority or the President's designee. If Concessionaire requests the Authority's consent or approval pursuant to any provision of the Lease and the Authority fails or refuses to give such consent, Concessionaire shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable. In the event the Authority has expressly agreed, in writing, not to act unreasonably in withholding its consent or may not unreasonably withhold its consent as a matter of law and the Authority has, in fact, acted unreasonably in either of those instances, Concessionaire's sole remedy shall be an action for specific performance or injunction.

23.22 Accord and Satisfaction

The Authority is entitled to accept, receive and cash or deposit any payment made by Concessionaire for any reason or purpose or in any amount whatsoever, and apply the same at Authority's option to any obligation of Concessionaire and the same shall not constitute payment of any amount owed except that to which Authority has applied the same. No endorsement or statement on any check or letter of Concessionaire shall be deemed an accord and satisfaction or otherwise recognized for any purpose whatsoever. The acceptance of any such check or payment shall be without prejudice to Authority's right to recover any and all amounts owed by Concessionaire hereunder and Authority's right to pursue any other available remedy.

23.23 Submission of Lease

Submission of this Lease to Concessionaire does not constitute an offer to lease; this Lease shall become effective only upon execution and delivery thereof by Authority and Concessionaire. The Effective Date of this Lease shall be the date filled in on Page 1 hereof, by the Authority.

23.24 Interpretation of Lease

This Lease is the result of arm's length negotiations between the Authority and Concessionaire and shall not be construed against the Authority by reason of its preparation of this Lease.

23.25 Number or Gender

The use herein of a singular term shall include the plural and use of the masculine, feminine, or neutral genders shall include all others.

23.26 Objection to Statements

Concessionaire's failure to object to any statement, invoice or billing rendered by Authority within a period of sixty (60) days after receipt thereof shall constitute Concessionaire's agreement and acceptance with respect to such statement, Invoice or billing and any claim based in the same shall be time barred.

23.27 Joint and Several Liability

If Concessionaire is a partnership or other business organization the members of which are subject to personal liability, the liability of each such member shall be deemed to be joint and several.

23.28 Broker's Commission

Each party represents and warrants that it has caused or incurred no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, and each party shall indemnify and hold the other harmless against and from all liabilities arising from any such claims caused or incurred by it (including without limitation, the cost of attorney's fees in connection therewith).

23.29 Entire Lease

It is understood and agreed that this Lease (including all Exhibits and other documents incorporated by reference) contains the entire agreement between the Authority and Concessionaire as to this Lease. It is further understood and agreed by Concessionaire that the Authority and the Authority's agents and employees 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 Concessionaire against the Authority for, and the Authority 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 lease with the Authority is expressly waived by Concessionaire.

23.30 Capacity to Execute

The Authority and Concessionaire each warrant and represent to each other that this Lease constitutes their legal, valid and binding obligation. The individuals executing this Lease personally warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

23.31 Execution by Electronic Means; Counterparts

The Authority and Concessionaire agree that the parties may execute this Lease by manual signatures or by any form of electronic signature that is permitted under the Uniform Electronic Transaction Act as enacted and codified in Article 40 of Chapter 66 of the General Statutes of North Carolina. The Parties may execute this Agreement and any amendment hereto in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

23.32 No Third Party Beneficiaries

This Agreement is for the benefit of Operator and the Authority only. This Agreement shall not create any rights in any person not a party to this Agreement.

23.33 Subordination to Bond Resolution

- A. This Agreement is made subject and subordinate to any Airport Bond Resolution enacted by the Authority, whether enacted prior to or as of the time of execution of this Agreement or thereafter.
- B. In the event of conflicts between this Agreement and the Bond Resolution, the Bond Resolution shall govern.
- C. It is mutually understood and agreed that, so long as any bonds secured by a Bond Resolution are outstanding, the deposit and application of Airport revenues shall be governed by the Bond Resolution.

24. Compliance With Laws

24.1 Compliance with Laws

Concessionaire shall at all times fully and promptly observe, obey and comply with all statutes, laws, ordinance, orders, rules, directives, regulations and standards, whether now in effect or hereinafter enacted, adopted or promulgated by the Authority, any municipal, state or federal agency, or any other lawful authority having jurisdiction over the Airport, the operation of the Airport, or the business conducted by Concessionaire at or from the Airport, including, but not limited to: (a) all applicable laws or regulations of the United States, the State of North Carolina and

Wake County; (b) Airport Rules and Regulations and Authority Ordinances, both of which may be amended by the Authority from time to time; (c) operating guidelines for Concessionaires, which may be amended by the Authority from time to time; and (d) those relating to the safety, cleanliness, occupancy and use of the Airport, to the nature, character and manner of operation of the business conducted in, at or from said Airport, and to the conduct of Concessionaire's agents and employees while on Airport property. In particular, but without limitation, each party to this Lease shall perform its respective responsibilities regarding the provision of accessible facilities and services as required by 49 CFR Part 27 and all other applicable laws and regulations.

24.2 Required Federal Provisions

- a. Concessionaire agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure 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 with or benefiting from Federal assistance. If Concessionaire transfers its obligation to another, the transferee is obligated in the same manner as Concessionaire.
- b. This provision obligates Concessionaire for the period during which the property is owned, used or possessed by Concessionaire and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
- c. During the performance of this contract, Concessionaire, for itself, its assignees, and successors in interest, agrees as follows:
 1. Compliance with Regulations: Concessionaire for itself and any contracted parties will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
 2. Non-discrimination: Concessionaire, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Concessionaire will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
 3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Concessionaire for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Concessionaire of Concessionaire's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: Concessionaire will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance: In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a) Withholding payments to the contractor under the contract until the contractor complies; and/or
 - b) Cancelling, terminating, or suspending a contract, in whole or in part.
6. Incorporation of Provisions: Concessionaire will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Concessionaire will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Concessionaire becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Concessionaire may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, Concessionaire may request the United States to enter into the litigation to protect the interests of the United States.

24.3 List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, Concessionaire, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- b. 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- c. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- d. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- e. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- f. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- g. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- h. Titles II and III of the American with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- i. The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- j. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- k. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- l. Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).

24.4 Fair Labor Standards Act (FLSA)

This Lease incorporates by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Concessionaire has full responsibility to monitor compliance to the referenced statute or regulation and must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

24.5 OSHA

All contracts and subcontracts shall incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Concessionaire must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Concessionaire retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Concessionaire must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

24.6 Subordination to Agreements

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between the Authority and the United States of America or the State of North Carolina relative to the operation, maintenance, development, or administration of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the Authority for Airport purposes, or to the expenditure of federal or State of North Carolina funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, and as said act may be amended from time to time. Concessionaire, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that, in the event improvements are constructed, maintained, or otherwise operated for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Authority shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, and as said regulations may be amended.

24.7 Security

Concessionaire recognizes its obligations to comply with Federal Airport Security Regulations. Concessionaire will reimburse the Authority, in full, for any fines or penalties levied against the Authority for security violations as a result of any actions on the part of Concessionaire, its agents, contractors, suppliers, guests, customers, or employees and for any attorney fees or related costs paid by the Authority as a result of any such violation.

24.8 Exclusive Rights

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958, and as said act may be amended from time to time.

24.9 Modifications Required by FAA

In the event that the Federal Aviation Administration or its successors requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of Airport, Concessionaire agrees to consent to such amendments, modifications, revisions, supplements, or deletions or any of the terms, conditions, or requirements of this Agreement as may be required to obtain such funds.

24.10 OFAC Certification

Concessionaire certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person” or any other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity, or nation. Concessionaire hereby agrees to defend, indemnify, and hold harmless the Authority from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney’s fees and costs) arising from or related to any breach of the foregoing certification.

24.11 War or National Emergency

During the time of war or national emergency, the Authority shall have the right to lease the landing area of the Airport or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government shall be suspended.

24.12 Inclusion of Provisions in Concessionaire Agreements

Concessionaire agrees to include the above Sections 24.1 through 24.11 in any subsequent agreements relating to its operations at the Airport that it enters into with other businesses, and to cause those businesses to similarly include the statements in further agreements.

25. Force Majeure

25.1 No Default

Neither party shall be liable to the other for any failure, delay, or interruption in the performance of any term, covenant or condition in this Lease (other than the payment of money) so long as such performance is delayed, interrupted, or prevented by acts of God, strikes,

pandemics, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, or any other cause not reasonably within the control of such party; and for the avoidance of doubt, in no event shall this provision be construed so as to allow Concessionaire to reduce, abate, delay, or excuse its obligation to pay the Concession Fee and Additional Rent or any other compensation contemplated in this Lease or excuse Concessionaire from maintaining any insurance required under this Lease.

25.2 No Delay in Performance

When the occurrence or condition which delayed or prevented performance or remedy of the default caused by one of the above events has ceased or been removed, the Authority or Concessionaire, as the case may be, shall commence the correction of such default, or continue correction thereof, without further delay.

IN WITNESS HEREOF, the parties have subscribed their names hereto effective as of the year and date first written above.

_____ RALEIGH-DURHAM AIRPORT AUTHORITY

By: _____

By: _____

Title: _____

Title: _____

Approved as to form.

Airport Counsel

EXHIBIT A - PREMISES

- Exhibit A-1 The Premises
- Exhibit A-2 Concession Layout Plans

EXHIBIT A-1 - THE PREMISES

The Premises leased exclusively to Concessionaire are described and identified as follows:

- A. Cart management unit locations initially assigned to use by Concessionaire listed below. Cart management units are generally located in the terminal in baggage claim areas, outside the terminals on the sidewalks adjacent to ticketing, baggage claim, and the ground transportation commercial curb. Return cart units are located in the Parking Garage on levels 3, 5, & 7 as listed below.

That certain space shown and designated as Room 1100 A-4, on the Terminal 1 Layout Plan, a copy of which is attached hereto, containing approximately 20 feet, more or less.

That certain space shown and designated as Room T1-L1CURB-1, on the Terminal 1 Layout Plan, a copy of which is attached hereto, containing approximately 20 feet, more or less.

That certain space shown and designated as Room T1-L1CURB-2, on the Terminal 1 Layout Plan, a copy of which is attached hereto, containing approximately 20 feet, more or less.

That certain space shown and designated as Room 1510A, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 25 feet, more or less.

That certain space shown and designated as Room 1550-1B, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 6 square feet, more or less.

That certain space shown and designated as Room 1550-4B, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 25 feet, more or less.

That certain space shown and designated as Room 1550-5B, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 25 feet, more or less.

That certain space shown and designated as Room 1550-5C, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 25 feet, more or less.

That certain space shown and designated as Room T2-L1CURB-1, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 15 feet, more or less.

That certain space shown and designated as Room T2-L2CURB-1, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 15 feet, more or less.

That certain space shown and designated as Room T2-L2CURB-2, on the Terminal 2 Layout Plan, a copy of which is attached hereto, containing approximately 15 feet, more or less.

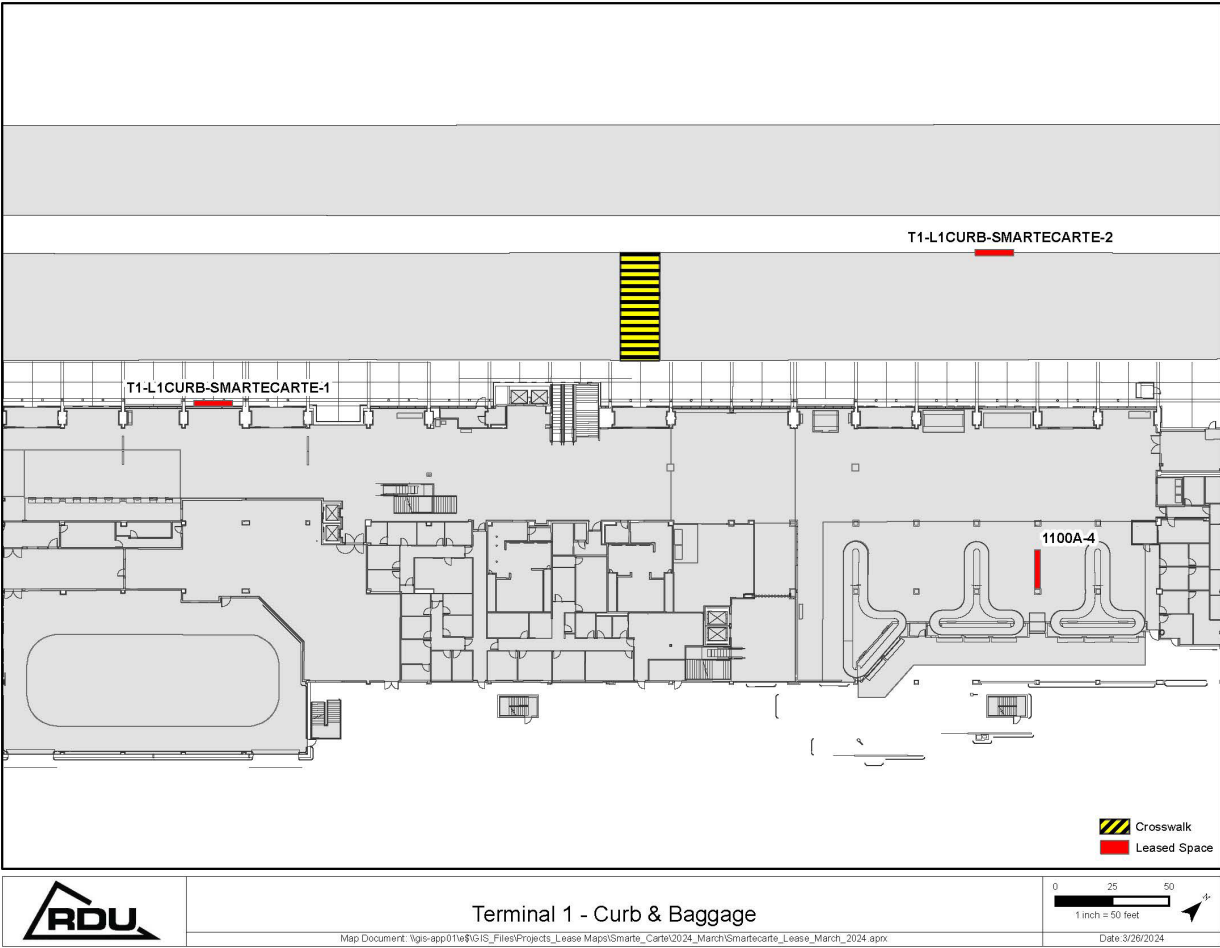
That certain space shown and designated as Room PG3-L3-1, on the Parking Garage Layout Plan, a copy of which is attached hereto, containing approximately 20 feet, more or less. Return unit.

That certain space shown and designated as Room PG3-L5-1, on the Parking Garage Layout Plan, a copy of which is attached hereto, containing approximately 20 feet, more or less. Return unit.

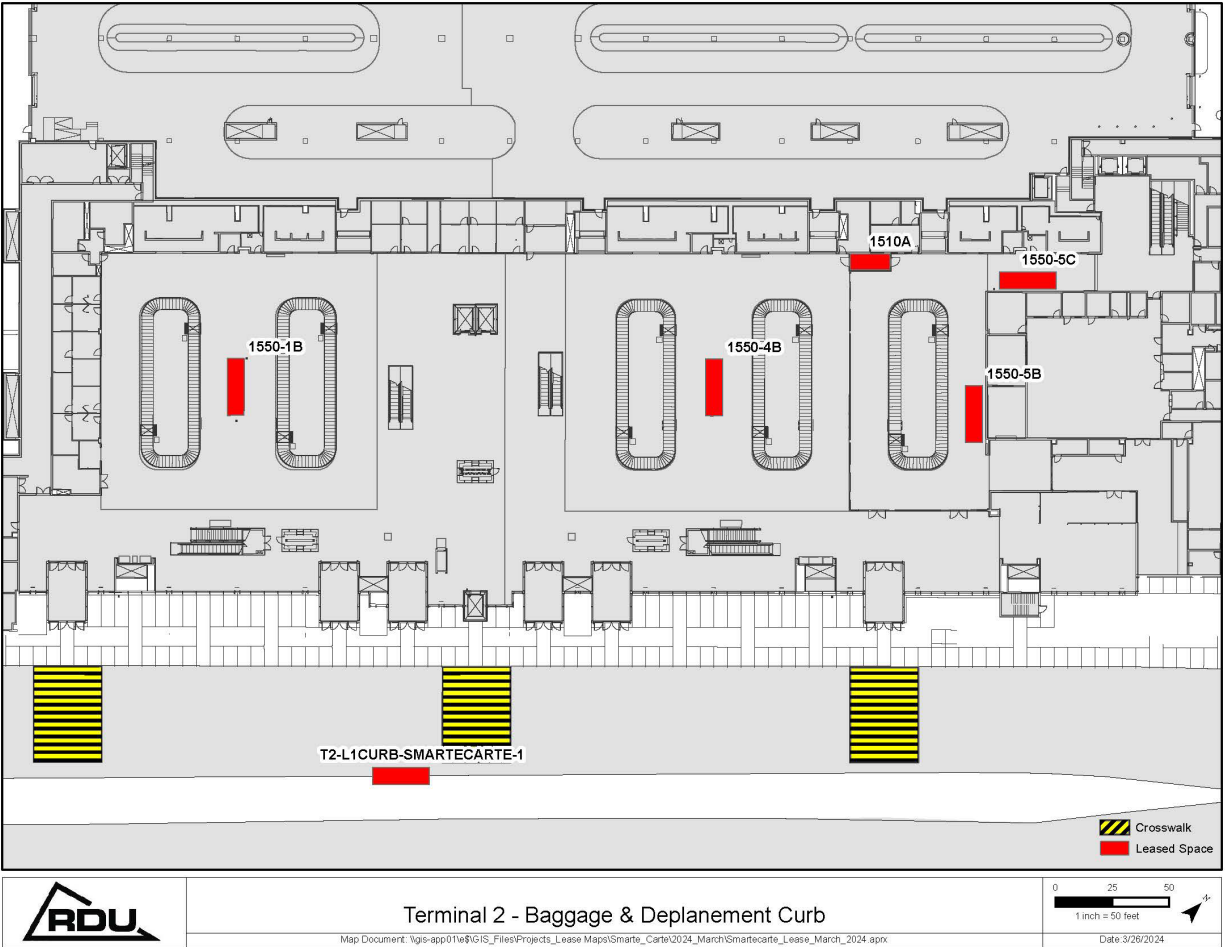
That certain space shown and designated as Room PG4-L7-1, on the Parking Garage Layout Plan, a copy of which is attached hereto, containing approximately 20 feet, more or less. Return unit.

- B. The cart management unit(s) at the commencement of the Lease shall be in new or like-new condition. Any existing carts in service at the commencement of the Lease that will continue in service shall be fully reconditioned at Concessionaire's home office and returned to service at the onset of the term of this Agreement or shall be replaced with new, if the Authority deems the carts are beyond repair. All other cart management units and carts supplied shall be fully reconditioned upon arrival at RDU.
- C. All cart management units shall be activated by an electronic operating control, which accepts coins, monetary bills and credit cards.
- D. During the term of this Lease, the number of cart management units and/or carts shall not be reduced without the Airport Director's advance written approval. Additional cart management units and carts may be added as requested by either party with the advance, written approval of the Airport Director.
- E. The Authority reserves the right to require Concessionaire to remove or relocate any cart management unit whose location it determines interferes with airport operations or is expected to interfere with a proposed facility improvement. In the event of relocation, the Authority will consult with Concessionaire as to the best location before the unit is moved.

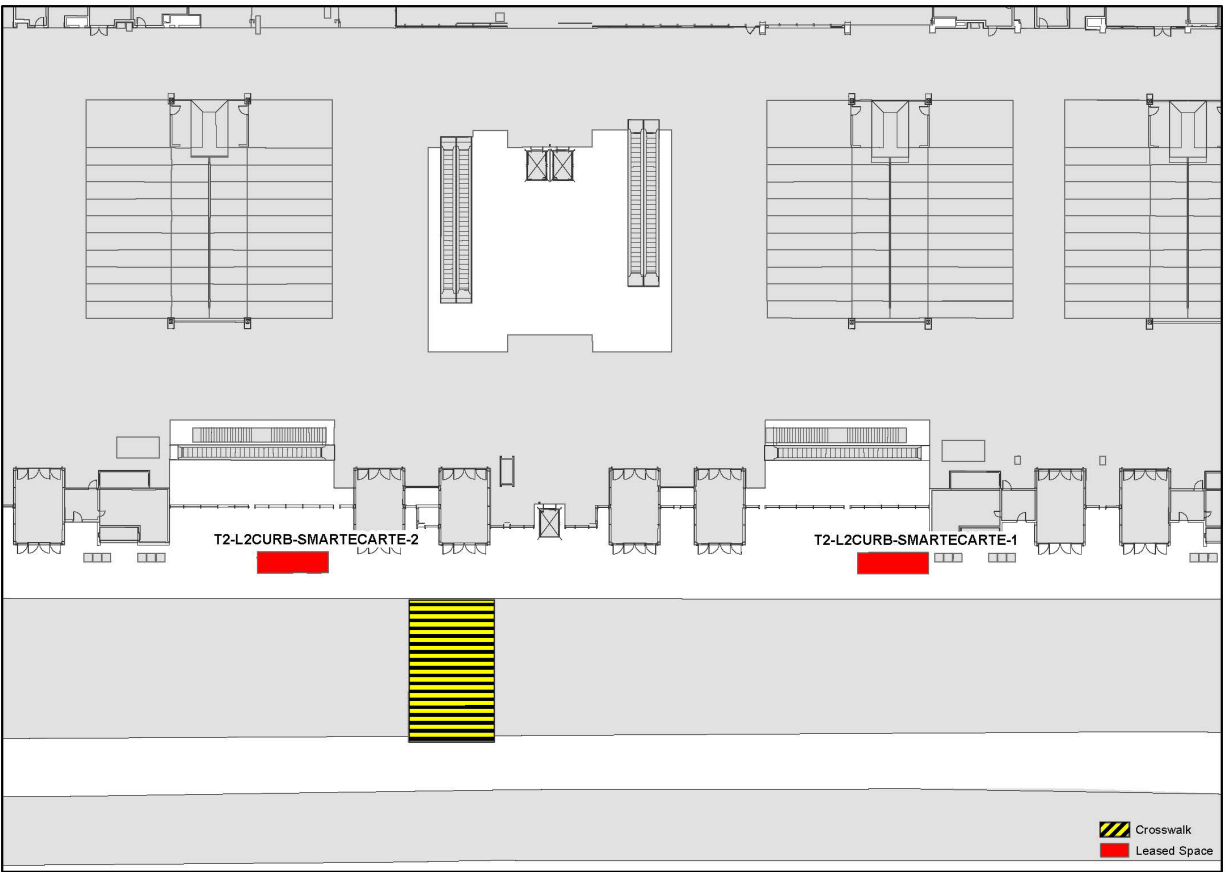
EXHIBIT A-2 - LAYOUT PLANS



LAYOUT PLANS

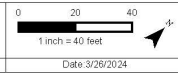


LAYOUT PLANS



Terminal 2 - Enplanement Curb

Map Document: \\gis-app01\es\GIS_Files\Projects_Lease Maps\Smarte_Carte\2024_March\Smartecarte_Lease_March_2024.aprx



LAYOUT PLANS

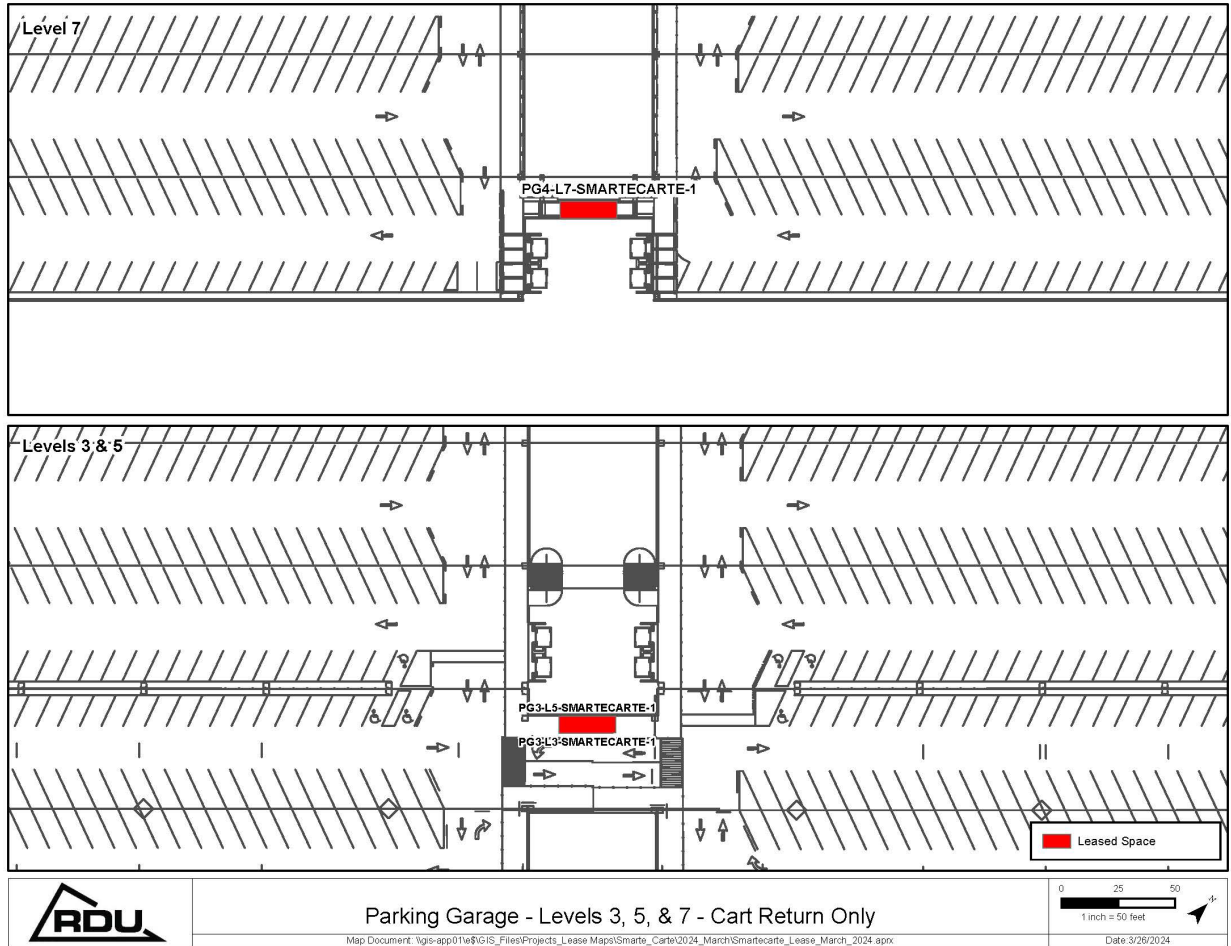


EXHIBIT B - PERMITTED USES & PERCENTAGE RENTS

- A. Concessionaire is granted the non-exclusive right to use and occupy the Premises solely for the purpose of operating a business engaged in the renting of luggage carts to the public in the Terminal Area of the Airport through the expiration or earlier termination of this Lease, unless provision of other service(s) is authorized in advance by written amendment to this Lease. Neither the Authority nor any other party shall provide the same or similar luggage carts service for use by the public with or without charge within the Terminal Area of the Airport during the term of this Lease. The Terminal Area shall be defined to include Terminal 1, Terminal 2 and the public parking lots and garages located adjacent to the Terminals 1 and 2.
- B. Carts and wheelchairs used by and belonging to skycaps and other airline support companies, and work carts used by and belonging to the Authority or tenants of the Airport are expressly permitted.
- C. All luggage carts including those supplied in the Federal Inspection Services (FIS) area, shall be rented on a self-service basis from cart management units installed at the locations specified in this Exhibit A and released for use by and through coin (quarters), monetary bill (\$1 and \$5) and credit card (VISA, MasterCard, American Express, Discover and Concessionaire's proprietary card) operated vending devices. All cart management units shall be capable of accepting credit cards for payment.
- a. Concessionaire shall supply and maintain a minimum of 150 luggage carts to the FIS Area prior to each international arrival that uses the FIS Area for use by deplaning international passengers.
 - b. Concessionaire shall be responsible for securing badge and access authorization to the FIS Area from Customs and Border Patrol and the Authority. Concessionaire shall comply with the operating requirements established by Customs and Border Patrol while operating in the FIS Area. Concessionaire shall also be responsible for utilizing the access chute on the baggage claim level to return carts to the FIS Area.
- D. Rental Prices
- a. The fee charged for rental of a luggage cart for domestic and international deplaned passengers shall be \$---- per cart.
 - b. When a cart is returned to a cart management unit, the cart management unit shall make a partial refund of \$-- for each cart returned.

- c. Any change in the Transaction fee charged at any of the self-service baggage locations must be approved by the Authority in writing. Any increase in the Transaction fee is subject to an increase in the Concession Fee due to the Authority.

Concessionaire shall be the owner of the luggage carts and cart management units, and the Authority shall have no right to title or ownership thereof. Concessionaire shall at all times be fully responsible for operation, maintenance, repair and removal of the same.

Chart 1 – Schedule Percentage Fee Rates

Room	Concept	Percentage Fees
All locations	Self-Service Baggage Carts	15%

EXHIBIT C - MONTHLY TRANSACTION REPORT

Raleigh-Durham Airport Authority
[Email Report to: Sales.Reports@RDU.com](mailto:Sales.Reports@RDU.com)

MONTHLY TRANSACTION REPORT
 RALEIGH-DURHAM INTERNATIONAL AIRPORT
TENANT NAME

Month: _____ Year: _____

Total Transactions	Rate	Total Amount Due
	\$	
	- 15%	

Transaction Detail

Unit	# of Transactions or Gross Sales	Rate	Amount Owed
Terminal 1		.00	\$ -
Terminal 2			
		.00	\$ -
		.00	\$ -
		.00	\$ -
		0.0%	\$ -
		0.0%	\$ -
		0	\$ -
		0	\$ -
		0	\$ -
		0	\$ -
		0	\$ -
TOTAL	0	0	\$ -

The Monthly Transaction Report shall be submitted no later than the 15th day of the month following the month in which fees were collected. The undersigned hereby certifies that the figures above represent a true account statement for the Transactions, sales, and fees collected.

Signature	Date	Email
Prepared By	Title	Phone

EXHIBIT D – ANNUAL REPORT

Send Report to:
 Raleigh-Durham Airport Authority
 Finance Department
 P. O. Box 80001
 RDU Airport, NC 27623
 Sales.Reports@rdu.com

ANNUAL TRANSACTION REPORT
 RALEIGH-DURHAM INTERNATIONAL AIRPORT
TENANT NAME
 XX/01/____ to XX/31/____

Total Transactions	Rate	Total Amount Due
	\$	
	-	

Unit	# of Transactions for Year	Rate	Amount Owed	Amount Paid
Terminal 1		.00	\$ -	\$ -
Terminal 2		.00	\$ -	\$ -
		.00	\$ -	\$ -
		.00	\$ -	\$ -
		0.0%	\$ -	\$ -
		0.0%	\$ -	\$ -
		0	\$ -	\$ -
		0	\$ -	\$ -
		0	\$ -	\$ -
		0	\$ -	\$ -
TOTAL	0	0	\$ -	\$ -

The undersigned hereby certifies that the figures above represent a true account statement for the Transactions, gross sales, and fees collected.

Signature	Date	Email
Prepared By	Title	Phone

EXHIBIT G - CONCESSION OPERATING HOURS/SCHEDULE

Service will be available 24 hours per day.

EXHIBIT H - SANCTIONS

Note: Sanctions and Sanction amounts are subject to change upon (30) days prior written notice. All Sanctions apply at the Lease level. Cumulative Sanctions shall reset on a calendar year basis.

Operating Hours (Sections 5. 1)	Written Warning first occurrence \$250 second occurrence \$500 third occurrence \$1,000 per occurrence thereafter \$500 for unapproved closure, early closure or late opening on any holiday for the first 3 violations \$1,500 per holiday violation after the 3 rd violation
Service Standards; Employee Standards (Sections 5.2)	Written Warning first occurrence \$100 per occurrence thereafter
Merchandise Pricing and Quality (Sections 5.5 and 5.6)	Written Warning first occurrence \$250 second occurrence \$500 per occurrence thereafter
Miscellaneous Operational Covenants (Section 5.9)	Written Warning first occurrence \$50 second occurrence \$100 per occurrence thereafter
Non-interference with Utilities (Section 5.10)	Written Warning first occurrence \$100 per occurrence thereafter
Sanitation, Hygiene and Cleanliness, Waste Disposal and Recycling (Sections 5.11 and 6)	Written Warning first occurrence \$100 per occurrence, for up to three (3) occurrences. Thereafter, Concessionaire will be billed for all garbage services at a rate to be determined to be reasonable by the Authority
Deliveries and Vendor Access (Section 7)	Written Warning first occurrence \$100 per occurrence thereafter

EXHIBIT K - MAINTENANCE MATRIX

Concessionaire shall keep all of the systems, utilities and building features pertaining to property within the Premises, as well as systems, utilities and building features extending beyond Premises, in good maintenance and repair. The Authority shall not have any responsibility for maintenance, repair, or replacement of any system, utility, or building feature on the Premises or extending beyond the Premises, unless expressly stated in the Maintenance Matrix.

Those items not expressly assigned to the Authority in the Maintenance Matrix are the exclusive responsibility of the Concessionaire and shall be kept in good maintenance and repair.

		MAINTAINED BY:	
		AUTHORITY	TENANT
CUSTODIAL SERVICE			
1.1	Windows-interior and exterior of common areas	☒	
1.2	Public Restrooms	☒	
1.3	Trash (collection in common areas)	☒	
1.4	Trash hauling & recycling	☒	
1.5	Windows-interior and exterior of lease space		☒
1.6	Carpets within leased space		☒
1.7	Walls, ceiling, floors in leased space		☒
1.8	Trash (collection in leased space)		☒
ELECTRICAL SYSTEMS			
2.1	Primary electric service, include main conduit, wiring, electric meters, fixtures, power and lighting panels	☒	
2.2	Area lighting to include all exterior lighting and power distribution	☒	
2.3	Authority installed window lighting, as applicable	☒	
2.4	Common area lighting in front of lease line to include lobby and public seating areas	☒	
2.5	Power from connection point throughout Concessionaire's space, to include conduit and wiring, sub-panels, power outlets, meters, switches and all interior lamps		☒

		MAINTAINED BY:	
		AUTHORITY	TENANT
2.4	Lighting within storefront window zone		<input checked="" type="checkbox"/>
2.6	Lighting behind lease line within concessionaire's space		<input checked="" type="checkbox"/>
FIRE SYSTEM			
3.1	Sprinklers (heads and piping) in public areas	<input checked="" type="checkbox"/>	
3.2	Alarm and detection system units for public areas	<input checked="" type="checkbox"/>	
3.3	Alterations to heads and piping in public areas	<input checked="" type="checkbox"/>	
3.4	Routine dusting of sprinkler heads in leased space		<input checked="" type="checkbox"/>
3.5	Sprinklers (heads and piping) in leased space		<input checked="" type="checkbox"/>
3.6	Alarm and detection system units in leased space		<input checked="" type="checkbox"/>
H.V.A.C			
4.1	Heating, ventilation, air conditioning and associated controls to include central system, package units and window units	<input checked="" type="checkbox"/>	
4.2	Routine cleaning and inspection of fans, louvers, duct work and/or exhaust system components located beyond the lease line, including such components provided by the Authority and used by the tenant	<input checked="" type="checkbox"/>	
4.3	Exhaust system in leased space		<input checked="" type="checkbox"/>
4.4	Heating, ventilation, air conditioning and associated controls to include central system, and package units in leased space		<input checked="" type="checkbox"/>
SIGNAGE			
5.1	Regulatory/traffic control	<input checked="" type="checkbox"/>	
5.2	Non-regulatory/traffic control	<input checked="" type="checkbox"/>	
5.3	Terminal directories	<input checked="" type="checkbox"/>	
Store Front Signs:			
5.4	Sign frame, face plate and/or sign attachments		<input checked="" type="checkbox"/>
5.5	Artwork design for sign face		<input checked="" type="checkbox"/>
5.6	Primary signage		<input checked="" type="checkbox"/>

		MAINTAINED BY:	
		AUTHORITY	TENANT
5.7	Storefront soffit signage		<input checked="" type="checkbox"/>
58	Blade or Marquee signage		<input checked="" type="checkbox"/>
STRUCTURE			
6.1	Exterior: to include roofs, sidings, locks, gutters, drains and walkways	<input checked="" type="checkbox"/>	
6.2	All locks including exterior and interior	<input checked="" type="checkbox"/>	
6.3	Duplicate new keys	<input checked="" type="checkbox"/>	
6.4	Asbestos management	<input checked="" type="checkbox"/>	
6.5	Furniture maintenance in common areas	<input checked="" type="checkbox"/>	
6.6	Floors in common areas	<input checked="" type="checkbox"/>	
6.7	Interior premises: to include doors, windows, door operations, ceilings, walls		<input checked="" type="checkbox"/>
6.3	Security grilles, gates and doors		<input checked="" type="checkbox"/>
6.6	Asbestos management during unit development		<input checked="" type="checkbox"/>
6.9	Floors in lease area (including water proofing and sealing of all floor penetrations)		<input checked="" type="checkbox"/>
6.10	Storage area modifications		<input checked="" type="checkbox"/>
WATER SYSTEMS / GROUND UTILITIES			
7.1	Storm sewers, sanitary sewers, potable water, and other site utilities	<input checked="" type="checkbox"/>	
7.2	Common area utility fixtures (sinks, toilets, water fountains, etc.)	<input checked="" type="checkbox"/>	
7.3	Plumbing system, supply to periphery of leasehold	<input checked="" type="checkbox"/>	
7.4	Piping within lease space		<input checked="" type="checkbox"/>
7.5	Cold water pipe insulation for lease space		<input checked="" type="checkbox"/>
7.6	Water heater		<input checked="" type="checkbox"/>
7.7	Floor penetrations within lease space		<input checked="" type="checkbox"/>
7.8	Distribution lines and conduit		<input checked="" type="checkbox"/>

EXHIBIT L - ACDBE PARTICIPATION REPORT



Sample of Electronic Report
**AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE
 ACTIVITY REPORT**

Reporting Instructions: Complete form and submit Vendor Profile information for each DBE firm.

Reporting Period: October 1, 20 _____ to September 30, 20 _____

Concessionaire Name:	
Operating As (if different):	
Contact Person:	Contact E-mail:
Concessionaire's Gross Receipts \$	
Total Amount of Goods & Services \$	Total Number of Goods & Services Vendors
Total Amount of DBE Goods & Services \$	Total Number of DBE Goods & Services Vendors

DBE VENDOR NAME *	Description of ACDBE Services or Goods Supplied	Total Dollar Value of Purchases/ Services
* Enter corresponding contact information on VENDOR PROFILE		
Sample Vendor of Goods		\$ 500.00
Total ACDBE Purchases/Services		\$

Signature of authorized representative / Date

Print name of authorized representative

DBE Vendor Profile

(Complete one profile for each DBE vendor listed above)

Vendor Name:	Contact Name:
Mailing Address:	Service Type:
Contact Telephone:	Contact Telephone:
Certification Status: <input type="checkbox"/> Pending <input type="checkbox"/> Certified <input type="checkbox"/> Unknown	Certification Agency: Click here to enter text.
Disadvantaged Status: <input type="checkbox"/> African American <input type="checkbox"/> Asian-Pacific Americans <input type="checkbox"/> Hispanic American	<input type="checkbox"/> Subcontinent Asian Americans <input type="checkbox"/> Non-minority Female <input type="checkbox"/> Other

DBE Vendor Profile

(Complete one profile for each DBE vendor listed above)

Vendor Name:	Contact Name:
Mailing Address:	Service Type:
Contact Telephone:	Contact Telephone:
Certification Status: <input type="checkbox"/> Pending <input type="checkbox"/> Certified <input type="checkbox"/> Unknown	Certification Agency: Click here to enter text.
Disadvantaged Status: <input type="checkbox"/> African American <input type="checkbox"/> Asian-Pacific Americans <input type="checkbox"/> Hispanic American	<input type="checkbox"/> Subcontinent Asian Americans <input type="checkbox"/> Non-minority Female <input type="checkbox"/> Other

DBE Vendor Profile

(Complete one profile for each DBE vendor listed above)

Vendor Name:	Contact Name:
Mailing Address:	Service Type:
Contact Telephone:	Contact Telephone:
Certification Status: <input type="checkbox"/> Pending <input type="checkbox"/> Certified <input type="checkbox"/> Unknown	Certification Agency: Click here to enter text.
Disadvantaged Status: <input type="checkbox"/> African American <input type="checkbox"/> Asian-Pacific Americans <input type="checkbox"/> Hispanic American	<input type="checkbox"/> Subcontinent Asian Americans <input type="checkbox"/> Non-minority Female <input type="checkbox"/> Other



Raleigh Durham Airport Authority
**AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
ACDBE ACTIVITY REPORT**

Reporting Instructions: Provide the requested information for ALL FIRMS.

DBE Firm (Yes/No)	VENDOR NAME	ADDRESS1	CITY	ST	ZIP	GOODS/SERVICE TYPE (See Sample List)	Dollar Value of Purchases



**AIRPORT CONCESSIONAIRES DISADVANTAGED BUSINESS
ENTERPRISE (ACDBE) JOINT VENTURE REPORT**

Quarterly Questionnaire

*Please complete the questionnaire and submit to the ACDBE Liaison Officer (thiane.carter@rd�.com) quarterly in advance of each quarterly joint venture meeting. Attach additional sheets as necessary.
Notify the ACDBLO no later than two weeks prior to each quarterly joint venture meeting.*

Select the appropriate reporting quarter

April – June 20____ July – Sept. 20____ Oct. – Dec. 20____ Jan. – March 20____

1. What is the time, date and location of the next quarterly joint venture meeting?
2. Have there been any changes in the ownership of the ACDBE firm (changes in ownership, or key personnel)? Yes No
 - a. If yes, please describe the circumstances of the change and the effective date of the change.
3. Have there been any changes in the ownership structure of the joint venture partnership? Yes No
 - a. If yes, please describe the circumstances of the change and the effective date of the change.
4. Have there been any changes in the key personnel of the joint venture partnership? Yes No
 - a. If yes, please describe the circumstances of the change and the effective date of the change.
5. Have there been any changes in the roles and responsibilities of each joint venture partner? Yes No
 - a. If yes, please describe the circumstances of the change and the effective date of the change.
6. Has the joint venture incurred additional debt in the past quarter? Yes No
 - a. If yes, provide documentation of the capital contribution (including loan payments, if applicable)
 - b. If yes, did the ACDBE partner consent to the additional debt?
 - c. Will the total debt owed by the joint venture be paid by the end of the lease?
 - d. Was the additional debt advanced to the ACDBE partner by the non-ACDBE partner?
7. Did the quarterly distributions paid to the ACDBE partner exceed capital debt and reserve payments for the same period? Yes No

8. Are there any changes, circumstances or conditions which affect the financial viability of the joint venture or either joint venture partner that the Authority should be aware?
a. If yes, please describe the circumstances in detail.

Yes No

Lease Title:

**Joint Venture
Name:**

Submitted By:

Title:

E-mail:

Date:

Signature:

ACDBE Partner:

Date:

E-Mail:

Signature:

ACDBE Partner:

Date:

E-Mail:

Signature:

ACDBE Partner:

Date:

E-Mail:

Signature:

EXHIBIT M – RFI PROPOSAL
(See Attached Proposal)