

CONCESSION LEASE AND LICENSE AGREEMENT

BETWEEN

**THE CITY OF CHICAGO
(CHICAGO DEPARTMENT OF AVIATION)**

AND

[NAME OF TENANT]

**AT
CHICAGO O'HARE INTERNATIONAL AIRPORT**



**RAHM EMANUEL
MAYOR**

**JAMIE RHEE
COMMISSIONER**

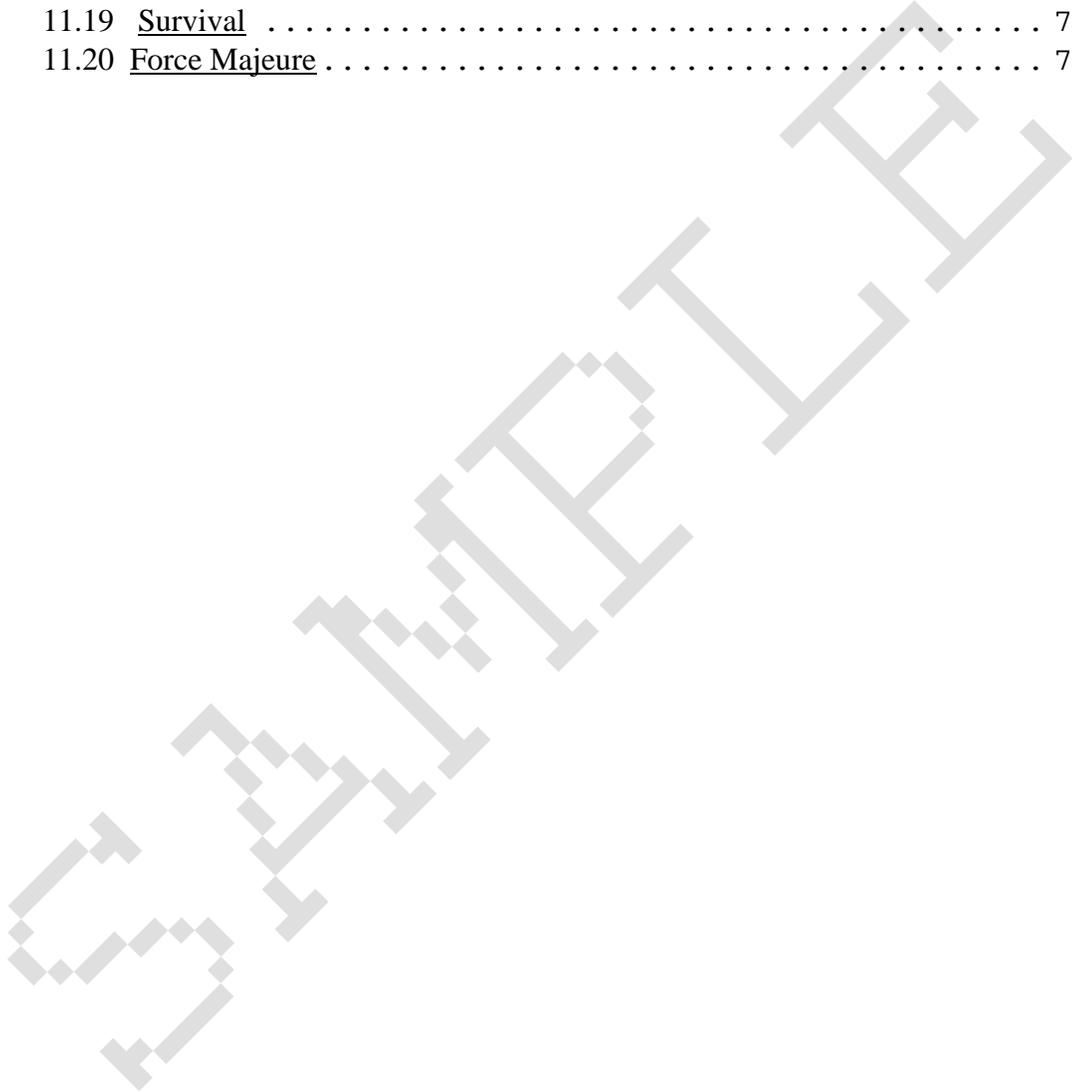
TABLE OF CONTENTS

SIGNATURE PAGE..... Signature Page

<u>SIGNATURE PAGE</u>	iv
ARTICLE 1 <u>TERM SHEET</u>	1
ARTICLE 2 <u>INCORPORATION OF BACKGROUND AND EXHIBITS</u>	2
2.1 <u>Incorporation of Background</u>	2
2.2 <u>Incorporation of Exhibits</u>	2
ARTICLE 3 <u>DEFINITIONS</u>	2
3.1 <u>Interpretation and Conventions</u>	2
3.2 <u>Definitions</u>	3
ARTICLE 4 <u>LICENSE, LEASE AND TENANT’S OPERATIONS</u>	8
4.1 <u>Concession License and Lease</u>	8
4.2 <u>No Subleases, Assignments or Other Uses</u>	9
4.3 <u>Products and Value Pricing</u>	9
4.4 <u>General Requirements for Operation of Concessions</u>	11
4.5 <u>Hours of Operation</u>	13
4.6 <u>Personnel</u>	13
4.7 <u>Operation and Maintenance</u>	15
4.8 <u>Utilities</u>	18
4.9 <u>Refuse Handling</u>	19
4.10 <u>Promotion</u>	19
4.11 <u>Distribution and Storage; Deliveries</u>	20
4.12 <u>Certain Rights Reserved By the City</u>	21
ARTICLE 5 <u>LEASED SPACE AND IMPROVEMENTS</u>	22
5.1 <u>Leased Space</u>	22
5.2 <u>Title to Property in the Leased Space</u>	25
5.3 <u>Shell and Core</u>	25
5.4 <u>Tenant's Improvement Obligations</u>	26
5.5 <u>Work Requirements</u>	26
5.6 <u>Damage or Destruction of Improvements</u>	31
5.8 <u>City Resident Construction Worker Employment Requirement</u>	33
5.9 <u>Licensing of General Contractor</u>	35
5.10 <u>Prevailing Wages</u>	35
5.11 <u>Subcontractor Certifications</u>	35
ARTICLE 6 <u>TERM OF AGREEMENT</u>	36
6.1 <u>Term</u>	36
6.2 <u>Holding Over</u>	36
6.3 <u>Return of the Leased Space and Removal of Improvements</u>	36
6.5 <u>Termination Due to Change in Airport Operations</u>	37
6.6 <u>Eminent Domain</u>	37
ARTICLE 7 <u>RENT AND FEES</u>	38
7.1 <u>Rent Payable</u>	38

7.2	<u>Time of Payments</u>	40
7.3	<u>Material Underpayment or Late Payment</u>	41
7.4	<u>Reports</u>	41
7.5	<u>Books, Records and Audits</u>	42
7.6	<u>Revenue Control</u>	44
7.7	<u>Lien</u>	44
ARTICLE 8	<u>INSURANCE, INDEMNITY AND SECURITY</u>	44
8.1	<u>Insurance</u>	44
8.2	<u>Indemnification</u>	44
8.3	<u>Security</u>	45
ARTICLE 9	<u>DEFAULT, REMEDIES AND TERMINATION</u>	47
9.1	<u>Events of Default</u>	47
9.2	<u>Remedies</u>	49
9.3	<u>Commissioner's Right to Perform Tenant's Obligations</u>	51
9.4	<u>Effect of Default and Remedies</u>	52
ARTICLE 10	<u>SPECIAL CONDITIONS</u>	52
10.1	<u>Warranties and Representations</u>	52
10.2	<u>Business Documents, Disclosure of Ownership Interests and Maintenance of Existence</u>	55
10.3	<u>Licenses and Permits</u>	56
10.4	<u>Confidentiality</u>	56
10.5	<u>Subcontracts and Assignments</u>	56
10.6	<u>Compliance with Laws</u>	60
10.7	<u>Airport Security</u>	65
10.8	<u>Non-Discrimination</u>	66
10.9	<u>Airport Concession Disadvantaged Business Enterprises (ACDBEs)</u>	68
10.10	<u>No Exclusive Rights</u>	68
10.11	<u>Airport Landing Area</u>	68
10.12	<u>No Obstructions</u>	68
10.13	<u>Avigation Easement</u>	69
10.14	<u>National Emergency</u>	69
10.15	<u>2014 Hiring Prohibitions</u>	69
ARTICLE 11	<u>GENERAL CONDITIONS</u>	70
11.1	<u>Entire Agreement</u>	70
11.2	<u>Counterparts</u>	70
11.3	<u>Amendments</u>	70
11.4	<u>Severability</u>	70
11.5	<u>Covenants in Subcontracts</u>	71
11.6	<u>Governing Law</u>	71
11.7	<u>Notices</u>	71
11.8	<u>Successors and Assigns; No Third Party Beneficiaries</u>	72
11.9	<u>Subordination</u>	72
11.10	<u>Conflict</u>	73

11.11 Offset by Tenant 73
11.12 Waiver; Remedies 73
11.13 Authority of Commissioner 73
11.14 Estoppel Certificate 73
11.15 No Personal Liability 74
11.16 Limitation of City’s Liability 74
11.17 Joint and Several Liability 74
11.18 Non-Recordation 75
11.19 Survival 75
11.20 Force Majeure 75



SIGNATURE PAGE

SIGNED:

CITY OF CHICAGO

By:

Mayor

Date: _____

RECOMMENDED BY: _____

Commissioner of Aviation

APPROVED AS TO FORM AND LEGALITY:

Senior Counsel _____

(TENANT)

By: _____

Its: _____

[Title]

Date: _____

[Notary]

CONCESSION LEASE AND LICENSE AGREEMENT

This Concession Lease and License Agreement (“**Agreement**”) is entered into as of _____, 201_ (“**Effective Date**”). The Agreement is by and between _____ [legal name of entity] a(n) _____ [type of entity and state of organization] doing business as _____ [d/b/a name, if different from legal name of entity] (“**Tenant**”), and the City of Chicago, a municipal corporation and home rule unit of local government under the Constitution of the State of Illinois (“**City**”), acting through its Chicago Department of Aviation (“**CDA**” or “**Department**”).

BACKGROUND

The City owns and, through CDA, operates Chicago O'Hare International Airport (“O’Hare or the Airport”). O’Hare includes an international terminal, three domestic terminals, a multimodal facility and a transportation center (collectively, the “**Terminals**”). The City has determined that certain portions of the Terminals will be used for food, beverage and retail concessions designed to serve the needs of Airport patrons and employees and desires to operate its concession program at the Terminals to strive to meet the needs and desires of Airport users by providing first-class food, beverage, retail and service facilities.

The City issued a Request for Proposals (“RFP”) for a concession at one the Airports and Tenant responded with a proposal to operate a concession featuring convenience, food, beverage, gift and vending merchandise at O’Hare. The City desires to grant Tenant, and Tenant desires to accept, a license to operate such a concession and a lease to operate the concession at the Terminal location(s) identified in this Agreement, all under the terms and conditions of this Agreement.

The City and Tenant acknowledge that the continued operation of the Airports as safe, convenient and attractive facilities is vital to the economic health and welfare of the City of Chicago, and that the City's right to supervise performance under this Agreement by Tenant is a valuable right incapable of quantification.

NOW, THEREFORE, the City and Tenant agree as follows:

ARTICLE 1 CITY APPROVAL

This Agreement is subject to approval by the City Council of the City of Chicago. The City is not bound by the terms of this Agreement until such time as it has been approved by the City Council and has been duly executed by the Mayor of Chicago or his proxy. As provided in Section 11.13, where the approval or consent of the City is required under this Agreement, unless expressly provided otherwise in this Agreement, it means approval or consent of the Commissioner or the Commissioner’s authorized representative. As provided in Section 11.3, unless expressly provided otherwise in this Agreement, any amendment of this Agreement will require execution by the Mayor or his proxy. As further provided in Section 11.3, any

substantial amendment of the terms of this Agreement will require approval by the City Council.

ARTICLE 2 INCORPORATION OF BACKGROUND AND EXHIBITS

2.1 Incorporation of Background. The background set forth above is incorporated by reference as if fully set forth here.

2.2 Incorporation of Exhibits. The following exhibits are incorporated into and made a part of this Agreement:

Exhibit 1	Leased Space(s) and Confirmation(s) of DBO
Exhibit 2	Rent
Exhibit 3	Development Plan
Exhibit 4	City's Shell and Core Obligations, if any
Exhibit 5	Products and Price List
Exhibit 6	Form of Letter of Credit
Exhibit 7	Insurance Requirements
Exhibit 8	ACDBE Special Conditions and Related Forms
Exhibit 9	MBE\WBE Special Conditions and Related Forms
Exhibit 10	Design and Construction Standard Operating Procedures-Concessions
Exhibit 11	Economic Disclosure Statements and Affidavits
Exhibit 12	Airport Concessions Handbook

ARTICLE 3 DEFINITIONS

3.1 Interpretation and Conventions.

A. The term "**include**," in all of its forms, means "include, without limitation," unless the context clearly states otherwise.

B. The term "**person**" includes firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

C. Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies of this Agreement are solely for convenience of reference and do not constitute a part of this Agreement, nor do they affect its meaning, construction or effect.

D. Words in the singular include the plural and vice versa. Words of the masculine, feminine or neuter gender include correlative words of the other genders. Wherever an article, section, subsection, paragraph, sentence, exhibit, appendix, or attachment is referred to, the reference is to this Agreement, unless the context clearly indicates otherwise.

E. Where the approval or consent of Tenant is required under this Agreement, it means the approval or consent of the Tenant's authorized representative. To be binding on the

City, all approvals or consents must be in writing and signed by the appropriate City representative.

F. Whenever time for completion or performance is listed as “days”, if the number of days is 30 or more, it means calendar days, and if the number of days is less than 30, it means business days per the City of Chicago calendar.

3.2 Definitions

In addition to terms defined elsewhere in this Agreement, the following words and phrases, when capitalized, have the following meanings:

“Additional Rent” has the meaning set forth in Section 7.1.

“Additional Space” means Retail Space or Storage Space that is added to Leased Space after the Effective Date pursuant to Section 5.1, but does not include Relocation Space. Additional Space, if any that is offered to Tenant is solely at the discretion of the Commissioner. Tenant has absolutely no right or entitlement to be offered any Additional Space, and the concept of Additional Space is solely for the benefit of the Airport’s concession program.

"Affiliate", except where otherwise defined, means any individual, corporation, partnership, trustee, administrator, executor or other legal entity that directly or indirectly owns or controls, or is directly or indirectly owned or controlled by, or is under common ownership or control with Tenant.

"Airport Concession Disadvantaged Business Enterprise" or "ACDBE" means an entity meeting the definition of airport concession disadvantaged business enterprise, as defined in U.S. Department of Transportation Regulations Title 49, Code of Federal Regulations, Part 23, as amended from time to time, and certified as such in the State of Illinois in accordance with those regulations.

“Airport Concession Program Handbook” means the handbook developed by the CDA to govern the uniform operation of the concessions programs at the Airports. The Airport Concession Program Handbook is available on the CDA website and may be amended from time to time by the Department. Any amendment of the Airport Concession Program Handbook by the Department during the Term of this Agreement will be binding on Tenant without need for amendment of this Agreement, provided that the amendment of Airport Concession Program Handbook does not conflict with the other terms and conditions of this Agreement.

"Chief Procurement Officer" means the head of the Department of Procurement Services of the City and any City officer or employee authorized to act on her behalf.

"Commissioner" means the head of the Department and any City officer or employee authorized to act on her behalf. City contractors and consultants, including the Concession Management Representative, have no authority to grant approvals or consents required to be granted by the Commissioner under this Agreement, except where the Concession Management Representative is expressly authorized to do so.

“Common Areas” means those areas of the Terminals that are not leased, licensed, or otherwise designated or made available by the Department for exclusive or preferential use by

specific party or parties.

"Comptroller" means the head of the Department of Finance of the City and any City officer or employee authorized to act on his behalf.

"Concession" means Tenant's business of offering the Products identified in Exhibit 5 for sale at retail to the public at the Airport pursuant to this Agreement.

"Concession Management Representative" or **"CMR"** means the entity retained by the City to assist in overseeing Concessions, including the construction of Improvements, at the Airport.

"Construction Documents" means the drawings and specifications for the construction of Improvements, approved by the Commissioner pursuant to Section 5.5.

"Date of Beneficial Occupancy" or **"DBO"** means, as to each Retail Space, the latest to occur of (A), (B) or (C) as follows:

- A. the date that is 90 days after the Delivery Date of the Retail Space in question;
- B. the date that is 90 days after the building permit for the Improvements for the Retail Space in question is issued; provided that the Tenant has demonstrated to the satisfaction of the Commissioner that Tenant timely submitted design drawings in accordance with Section 5.5 hereof and promptly applied for, and diligently pursued the issuance of, such building permit; or
- C. the date set forth in the Development Plan for the commencement of retail sales in the Retail Space in question; provided, however, that the date set forth in the Development Plan for commencement of retail sales shall be extended one day for each day Tenant has demonstrated to the satisfaction of the Commissioner that Tenant was delayed due to *force majeure* pursuant to Section 11.20. Under no circumstance can this date exceed 60 days beyond the date established in A. above.

Notwithstanding the foregoing, if Tenant completes the Improvements in any Retail Space and commences retail sales in such Retail Space before the DBO determined in accordance with the foregoing, the DBO for that Retail Space is the date that retail sales commence.

The DBO for each Retail Space shall be confirmed in writing by the parties, and such written **"Confirmation(s) of DBO"** shall thereafter be attached to Exhibit 1 of this Agreement without need for a formal amendment of this Agreement.

The Date of Beneficial Occupancy for any Storage Space is the Delivery Date for that Storage Space.

"Default Rate" means 12% per annum.

"Delivery Date" means the date upon which the City gives Tenant possession of the Retail Space or Storage Space in question.

"Department" means the Chicago Department of Aviation, also known as CDA.

“Design and Construction Standard Operating Procedures- Concessions Projects” or “C-SOP” means those certain design standards and policies prepared by the Department for the Concession areas at the Airport, as amended by the Department from time to time.

“Development Plan” means, as further described in Section 5.5, the Tenant’s conceptual plans, budget and other design specifications for construction of its Improvements and its schedule for commencement of retail sales in each Retail Space. The Development Plan is attached hereto as Exhibit 3.

“Distribution Fee” means the amount, if any, payable pursuant to Section 4.11 for the Tenant’s use of a centralized distribution and storage facility.

“Environmental Laws” means collectively, all applicable federal, state and local environmental, safety or health laws and ordinances and rules or applicable common law, including the Occupational Safety and Health Act of 1970, as amended (29 U.S.C. §651 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Toxic Substances Control Act of 1976, as amended (15 U.S.C. §2601 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Clean Water Act (33 U.S.C. §1251 et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.) as any of the foregoing may later be amended from time to time; any rule or regulation pursuant to them, and any other present or future law, ordinance, rule, regulation, permit or permit condition, order or directive addressing environmental, health or safety issues of or by the federal government, or any state or other political subdivision of it, or any agency, court or body of the federal government, or any state or other political subdivision of it, exercising executive, legislative, judicial, regulatory or administrative functions.

“Event of Default” has the meaning set forth in Article 9.

“Food Court Common Area” means the space immediately adjacent to specific Retail Spaces where shared seating is provided to the public.

“Gross Revenues” means the total amount in dollars at the actual sales price of all receipts, whether for cash or on credit, that are derived from business conducted in, on or from the Leased Space, all mail or telephone orders received or filled at or from the Leased Space, all deposits not refunded to purchasers, all orders taken in and from the Leased Space, including catalog and on-line sales whether or not the orders are filled elsewhere, and receipts or sales by Tenant and any other person or persons doing business in or from the Leased Space, including receipts from promotions, advertising, and income derived from retail display advertising or any other use of the Leased Space by Tenant. Gross Revenues do not, however, include the following:

- A. any sums collected and paid out by Tenant for any sales, retail excise, use, privilege, or retailers occupation taxes now or later imposed by any duly constituted governmental authority;

- B. the amount of any cash or credit refund made upon any sale, but only if the original sale was made in or from the Leased Space and included in Gross Revenue;
- C. bona fide transfers of Products to or from the Leased Space to any other stores or warehouses of Tenant;
- D. sales of Tenant's fixtures and store equipment not in the ordinary course of Tenant's business;
- E. returns to shippers, suppliers or manufacturers;
- F. bulk sales of Products inventory not sold to the public and not in the ordinary course of business; and
- G. insurance proceeds received from the settlement of claims for loss of or damages to Improvements, Products, fixtures, trade fixtures and other Tenant personal property other than the proceeds of business interruption insurance.

A **"sale"** is deemed to have been consummated for purposes of this Agreement, and the entire amount of the sales price must be included in Gross Revenues, at the time that: (i) the transaction is initially reflected in the books or records of Tenant; or (ii) Tenant receives all or any portion of the sales price; or (iii) the applicable goods or services are delivered to the customer, whichever occurs first.

"Imposition" means real estate taxes, permit fees, license fees, and any other fee or charge not specified in this Agreement but otherwise payable by Tenant pursuant to a statute, ordinance, or regulation in order for Tenant to operate the Concession at the Airport.

"Improvements" means the improvements to be made to the Leased Space by Tenant that add or maintain value to the Leased Space, including fixtures and trade fixtures (but excluding trademarked or proprietary trade fixtures) and any other enhancements of a permanent or temporary nature made to the Leased Space, other than the Shell and Core, so that the Leased Space can be used for Concession operations. The Improvements must be described, along with a budget of Improvement Costs, and depicted conceptually in the Development Plan and must conform to Tenant's response to the RFP.

"Improvement Costs" means the total amount paid by Tenant for categories of labor, services, materials and supplies used in the design, development, installation and construction of the Improvements. The minimum Improvement Costs must not be less than 95% of the budgeted Improvement Costs included in the approved Development Plan. Tenant's actual, reasonable Improvement Costs will be memorialized in the written Confirmation of DBO that will be attached to Exhibit 1 upon approval by the Commissioner. Whenever this Agreement refers to amortization of Improvement Costs for a Leased Space, such amortization will be calculated on a straight-line basis over 60 months from the DBO of the Leased Space in question, and the amount being amortized will be the actual Improvement Costs for that Leased Space as memorialized in the Confirmation of DBO for that Leased Space.

"In-Line Site" means a Retail Space, other than a Kiosk, that may be permanent or

temporary.

"Kiosk" means a Retail Space that is a non-mobile, free-standing, permanent or temporary facility that is not affixed to the Terminals, whether completely free-standing or located against a wall.

"Lease" means the lease granted by the City to the Tenant in Section 4.1 to use and occupy the Leased Space in order to conduct and operate the Concession pursuant to the License.

"Leased Space" means the total Retail Space and Storage Space leased to Tenant under this Agreement, identified in Exhibit 1, which may be amended from time to time as space may be added to, deleted from, or relocated during the Term in accordance with the provisions of this Agreement. Leased Space shall be used for operation of the Concession and for no other purpose unless otherwise approved in writing by the Commissioner.

"Lease Year" means

- A. for the initial Lease Year of this Agreement, a period beginning on the first Date of Beneficial Occupancy of any Retail Space and ending on December 31 of that calendar year, and
- B. for the balance of the Term, each successive calendar year, but including only that portion of the calendar year prior to the date on which the Term expires or the Agreement is otherwise terminated.

"License" means the privilege granted to Tenant under this Agreement to operate the Concession at the Airport.

"License Fee" means the fee payable by Tenant for the License, equal to the greater of the "Percentage Fee" or "Minimum Annual Guarantee", as set forth in Section 7.1 and Exhibit 2.

"Marketing Fee" means the Tenant's contribution for promotions at the Airport, as set forth in Section 4.10.B.

"Minimum Annual Guarantee" or "MAG" means the minimum amount payable each Lease Year for the License Fee. If this Agreement covers more than one Retail Space, Exhibit 2 must prorate the MAG for the Agreement among the various Retail Spaces in proportion to their anticipated Gross Revenue volumes. The MAG for each Retail Space will commence upon the DBO for that Retail Space.

"Percentage Fee" means the percentage fee(s) set forth in Exhibit 2.

"Products" means the convenience merchandise, food and beverage menu items, Chicago oriented gift items, vending items and related merchandise that Tenant is permitted to sell in its Retail Space and maintain in inventory in its Storage Space under the terms of this Agreement, as set forth by category or item in Exhibit 5. As set forth in Article 4, Tenant was selected by the City specifically to sell the Products identified in Exhibit 5 and is not permitted to sell any items or types of items not identified in Exhibit 5 or conduct any other business from the Leased Space unless otherwise agreed in writing by the Commissioner.

"Relocation Space" means space to which Tenant must relocate a Retail Space or

Storage Space at the request of the Commissioner pursuant to Section 5.1.

"Rent" means all amounts payable by Tenant in connection with this Agreement, including but not limited to License Fees, Additional Rent and any liquidated damages specified in the Agreement for non-compliance with the City's requirements for Concession operations.

"Retail Space" means a Leased Space used by Tenant for the sale at retail of Products, including any Additional Space or Relocation Space used for that purpose.

"Shell and Core" means those improvements to the Leased Space to be completed by the City as specified in Exhibit 4 and, with respect to Additional Space or Relocation Space, as may be agreed in writing by the Commissioner.

"Storage Space" means a Leased Space used by Tenant for storage of Products inventory to support a Retail Space. No Products may be sold to the public from Storage Space.

"Subcontractor" means all entities providing services and materials to Tenant necessary for its Concession operations or for the construction, repair, and maintenance of the Leased Space and Improvements. The term "Subcontractor" also includes subconsultants of any tier, subcontractors of any tier, suppliers and materialmen, whether or not in privity with Tenant.

"Subcontracts" means all oral or written agreements with Subcontractors.

"Sustainable Airport Manual" or "SAM" means the manual developed by the CDA regarding environmentally sustainable practices in the construction and operation of the Airports. The manual is available on the CDA website and may be updated from time to time by the CDA. Any amendment of the SAM by the Department during the Term of this Agreement will be binding on Tenant without need for amendment of this Agreement, provided that the amendment of SAM does not conflict with the other terms and conditions of this Agreement.

"Term" means the period of time beginning on the Effective Date and ending at 11:59 p.m. on the seventh anniversary of the DBO of the Retail Space to open for business, excluding any Retail Space that is Additional Space or Relocation Space. At his/her sole discretion, the Commissioner may extend the Term by two additional years, in one year increments by written notice to Tenant.

"Use Agreements" means those certain airport use and facility lease agreements between the City and the airlines operating out of the Airport regarding the use and operation of the Airport, as amended or executed from time to time.

"Value Price" has the meaning set forth in Section 4.3.

"Work" means everything necessary for the design, engineering, construction and installation of the Improvements; when referring to restoration of Improvements after Major Damage, it means everything necessary for the replacement, repair, rebuilding, or restoration of the Improvements.

ARTICLE 4 LICENSE, LEASE AND TENANT'S OPERATIONS

4.1 **Concession License and Lease.** As of the Effective Date, the City grants Tenant a License to operate a Concession at the Airport and, upon delivery of the Leased Space or portion

thereof, a Lease to operate the Concession from the Leased Space so delivered. Tenant accepts the License and Lease from the City and assumes the duties of Tenant provided in this Agreement and in the Airport Concession Program Handbook. **TENANT ACKNOWLEDGES AND AGREES THAT ALL AMOUNTS PAYABLE TO THE CITY UNDER THIS AGREEMENT CONSTITUTE RENT AND THAT THIS AGREEMENT CREATES A TAXABLE LEASEHOLD UNDER THE ILLINOIS PROPERTY TAX CODE, 35 ILCS 200/1 et seq.** Tenant understands and agrees that both its License to operate a Concession and its right to occupy the Leased Space will terminate upon the expiration or earlier termination of this Agreement. If Tenant complies with the terms of this Agreement, Tenant will have the right of ingress to and egress from the Leased Space, for Tenant, its officers, employees, agents, Subcontractors, vendors, suppliers, and invitees, subject, however, to all statutes, ordinances, rules and regulations from time to time enacted or established by the City, the FAA, the TSA or any other governmental agency or authority having jurisdiction. Tenant must not conduct its Concession operations in a manner that, in the judgment of the Commissioner:

- A. interferes or might interfere with the reasonable use by others of Common Areas or the leased or licensed space of other tenants or licensees at the Airport;
- B. hinders or might hinder TSA, Airport security, police, fire-fighting or other emergency personnel in the discharge of their duties;
- C. would, or would be likely to, constitute a hazardous condition at the Airport;
- D. would, or would be likely to, increase the premiums for insurance policies maintained by the City, unless the operations are not otherwise prohibited under this Agreement and Tenant pays the increase in insurance premiums occasioned by the operations; or
- E. would involve any illegal purposes.

4.2 No Subleases, Assignments or Other Uses. Tenant understands and agrees that the Lease and the License granted under this Agreement are interdependent and that the locations of the Retail Spaces were determined by the City so that the Concession operated by Tenant is an element of an overall concession program and, as such, complements and does not conflict with other concessions in the vicinity of the Retail Space(s). Accordingly, Tenant acknowledges: that the principal purpose of this Agreement is to provide Tenant a License to operate its Concession, without right of sublease or assignment, from the Leased Space and that any attempted sublease, assignment or other use of the Leased Space without the written consent of the City in accordance with the terms of this Agreement is absolutely prohibited and is an Event of Default.

4.3 Products and Value Pricing.

A. Exhibit 5 to this Agreement constitutes the listing, by general category or specific item, of all Products that Tenant is allowed to sell from each Retail Space and the prices to be charged to the public. Those items of Products that Exhibit 5 indicates are mandatory, if any, must be offered for sale to the public by the Tenant as a part of the Airport's overall concession program. If Exhibit 5 is stated in general terms, upon request, Tenant must within 5 days provide the Commissioner with a complete list of all Products and prices. The City's execution of this

Agreement constitutes its approval of the sale of the products, services, and pricing as reflected on Exhibit 5 on the Effective Date. Any changes to Exhibit 5 are subject to the Commissioner's prior written approval. Upon such approval, Exhibit 5 may be amended without need for formal amendment of this Agreement pursuant to Section 11.3.

B. Tenant must stock a sufficient amount of each item comprising its Products within the Retail Space so as to maximize Gross Revenues, subject to and consistent with Tenant's and the City's desire to accommodate the convenience and needs of the Airport's patrons. The Products must be new, fresh and of top quality. Tenant must store Products inventory in excess of the amount needed to stock displays out of sight of customers before restocking a display.

C. Value Pricing. The City has established a Value Pricing policy for all Tenants at the Airport. The policy generally requires Tenants to charge a price for a product or service at the Airport as the same price charged for the same product or service at similar stores in the City (each hereinafter referred to as a "Benchmark Store"). Benchmark Stores will be proposed by the Tenant subject to approval by the City. The following locations and areas shall be excluded when establishing Benchmark Stores: hotel restaurants or kiosks, bus and train transportation centers, entertainment centers, arenas, theaters, convention centers or similar venues. Benchmark Store exclusions may change throughout the Term as determined necessary by the City. If the Tenant or its Subtenants currently operate the exact other locations in the City of Chicago, then these locations may be designated Benchmark Stores. Otherwise, Benchmark Stores will be selected based on stores that are comparable to the proposed concept. Notwithstanding the aforementioned exclusions, in the case of a news and gift store where Tenant or its Subtenant currently operate a same-brand location in the City of Chicago, in a transportation center, and that location has its own customer walk-up street access, the City may consider allowing Tenant to propose that location as a Benchmark Store. In such a case, the Value Pricing policy prohibits mark-up of pricing higher than that of the applicable Benchmark Store because that store already is in a transportation center.

Other Pricing Policy. The Commissioner may adopt other reasonable pricing policies, with which Tenant and Subtenants shall comply, to restrict overcharging and price gouging by Subtenants due to their dominant market position and any exclusive rights granted, but in no event shall the Commissioner require prices lower than the established Value Pricing.

Tenant must submit to the CMR, within 30 days after the end of each Lease Year, or as requested from time to time by the Commissioner or CMR, a pricing report demonstrating compliance by Tenant with the Value Price requirements. Any prices that the Commissioner or CMR determines to be inconsistent with the Value Price requirements must be adjusted accordingly. At any time, and from time to time, the Commissioner or CMR may review the prices of the Products then being offered for sale by Tenant and require adjustments in prices of the Products or particular items in order to comply with the Value Price requirement. Following the CMR's written notice to Tenant, Tenant shall promptly adjust the price of the Products or particular items, as applicable. Failure to comply within five days will constitute an Event of Default. Tenant's failure to comply would cause the City damages, including loss of goodwill, that are difficult or impossible to prove or quantify. Therefore, in addition to other remedies for

an Event of Default, for as long as non-compliance continues after the five-day cure period, the Commissioner will assess Tenant as liquidated damages and not as a penalty an amount of \$100 per day per Retail Space.

D. At any time, the Commissioner or the CMR may review the quality of the Products then being offered for sale by Tenant and require reasonable improvements in quality of the Products or particular items or may require elimination of particular items that the Commissioner determines to raise safety or security issues. Following the Commissioner's written notice to Tenant, Tenant shall within 5 days rectify or modify the quality of the Products or particular items or eliminate the particular items, as applicable. Failure to comply within five days will constitute an Event of Default. Tenant's failure to comply would cause the City damages, including loss of goodwill, that are difficult or impossible to prove or quantify. Therefore, in addition to other remedies for an Event of Default, for as long as non-compliance continues after the five-day cure period, the Commissioner will assess Tenant as liquidated damages and not as a penalty an amount of \$100 per day per Retail Space.

4.4 General Requirements for Operation of Concessions. Tenant has the authority to manage and administer the Concession in the Leased Space, subject to the rights of the City under the law, in equity, and under this Agreement to direct Tenant in order to ensure that the Airport operates in the most effective and efficient way possible and to supervise the Tenant's performance. Tenant covenants to take all commercially reasonable measures to maintain, develop, facilitate and increase the business of the Concession so as to maximize Gross Revenues. Tenant further covenants that neither it nor any Affiliate of Tenant will divert or cause or allow to be diverted any business from the Leased Space to other locations not at the Airport that are operated by Tenant or any Affiliate of Tenant. A material condition of this Agreement is that Tenant must operate the Concession operations in accordance with the Airport Concession Program Handbook, the Sustainable Airport Manual, and the following general requirements:

A. Unless otherwise approved by the Commissioner in writing, Tenant must conduct business in its Retail Space only in the Tenant's trade name identified in its response to the RFP.

B. Due to the nature of the concession, Tenant is authorized to install and operate any coin, card, token or otherwise activated vending machines as part of the Tenant's Development Plan and approved by the Commissioner.

C. Tenant must conduct its Concession operations in a first-class, businesslike, efficient, courteous, and accommodating manner consistent with the "**Physical Inspection Standards**" that appear in Appendix 1 of the Airport Concession Program Handbook. The Commissioner or the CMR has the right to make reasonable objections to the appearance and condition of the Leased Space if they do not comply with the Physical Inspection Standards. Tenant must discontinue or remedy any non-compliant practice, appearance or condition within five days following receipt of a written notice by the Commissioner or CMR (or immediately upon receipt of such a notice if the Commissioner or CMR deems non-compliance hazardous or illegal). Tenant's failure to timely cure the non-compliance as required by the Commissioner or

CMR would cause the City damages including, among other things, loss of goodwill, which would be difficult or impossible to prove or quantify. Accordingly, if Tenant fails to timely cure non-compliance, then, in addition to all other remedies the City may have at law, in equity or under this Agreement, and beginning on the first day after expiry of the five-day cure period, Tenant must pay the City, as liquidated damages in connection with the loss of good will among visitors to the Terminals, and not as a penalty, the amount of \$200 per day per Retail Space for each non-compliant practice, appearance or condition specified in the notice that remains uncured after the cure period.

D. Tenant must neither commit nor allow any nuisance, noise or waste in the Leased Space or annoy, disturb or be offensive to others in the Terminals. Tenant must employ all reasonable means to prevent or eliminate unusual, nauseating or objectionable smoke, gases, vapors or odors from emanating from the Leased Space. Tenant must employ all reasonable means to eliminate vibrations and to maintain the lowest possible sound level in the operation of the Concession.

E. Tenant must at all times accept all denominations of U.S. currency and any of at least three nationally recognized credit cards, such as but not limited to American Express, Visa, MasterCard and Discover, as suitable payment for the sale of all Products. Tenant must offer a receipt with each purchase. Tenant must make change for the public regardless of whether or not a purchase is made. If Tenant is found to prohibit the acceptance of U.S. currency, the City may assess a penalty of \$200 per day for non-compliance.

F. Tenant must not place or install any racks, stands, or trade fixtures directly on or over the boundaries of its Leased Space. Tenant must not use any space outside the Leased Space for sale, storage or any other undertaking, other than in connection with deliveries made in a prompt, timely and efficient manner.

G. In its capacity as Tenant under this Agreement, and not as an agent of the City, Tenant must manage the Concession operations and the Leased Space in accordance with this Agreement, in furtherance of which Tenant must, among other things:

- (i) use reasonable efforts to remedy problems and issues raised by Airport patrons with respect to the operation of the Leased Space;
- (ii) answer in writing all written customer complaints within 72 hours after receipt, furnishing a copy of the complaint and the answer to the Commissioner within that period; and,
- (iii) furnish the Commissioner within 72 hours after their receipt copies of all written notices received by Tenant from any governmental authority or any Subcontractor with respect to any part of the Leased Space or any Subcontract.

If Tenant fails to timely respond to customer correspondence or governmental notices and furnish the requisite copies to the Commissioner, Tenant acknowledges that the City may suffer loss of goodwill and other harm the value of which is difficult to determine, and thus, in addition to any remedies for the Event of Default, the Commissioner will assess as liquidated damages

against Tenant, and not as a penalty: (A) an amount of \$200 per day for each day after the initial 72 hours until Tenant responds to the customer complaint or governmental notice and (B) if Tenant fails to provide the requisite copies to the Commissioner, \$100 per day until the Tenant provides the Commissioner with the copies. Tenant's failure to perform either (A) or (B) for a period of 30 days or more will be grounds for the City declaring an Event of Default pursuant to Article IX, in which event Tenant will have no longer than 10 days to cure the Event of Default.

4.5 Hours of Operation.

A. Tenant must begin conducting its Concession operations in each Retail Space on the Date of Beneficial Occupancy applicable to that Retail Space and continue them uninterrupted after that date during all required hours of operation. The Retail Space shall be open to serve the public seven (7) days per week and three hundred sixty-five (365) days per year. In no event shall the hours of operation be curtailed to an extent that the service contemplated under this Lease shall be diminished. Except as otherwise stated herein, the hours of service shall be determined in light of changing public demands and Airport's flight schedules. The Retail Space must be open, at a minimum, from 5:30 a.m. until 10:00 p.m. daily, unless otherwise approved by the Commissioner or CMR in writing. The Tenant is required to allow access to its vending machines, 24 hours per day. If the Commissioner or CMR deems it necessary in order to serve the public at the Terminals, Tenant must keep any or all of its Retail Space open for additional hours as the Commissioner or CMR reasonably determines. From time to time, the Commissioner or CMR may require Tenant to extend its hours for peak holiday travel seasons or for flight delays due to inclement weather, or conversely, the Commissioner or CMR may allow the Tenant to open a Retail Space later than 5:30 a.m. or close it earlier than 10:00 p.m. when passenger traffic is light.

B. Except as otherwise permitted under this Agreement, if Tenant fails to operate its Concession from any portion of the Retail Space during all times that Tenant is required to do so under this Agreement and the failure continues for more than three days after the City gives Tenant notice, it is an Event of Default. In addition, Tenant acknowledges that failure to provide Concession services to the public would cause the City substantial damages, a portion of which may be ascertainable but another portion of which, related to loss of goodwill due to the public's inability to obtain the Products, the provision of which is one of the key purposes of this Agreement, might be difficult or impossible to prove or quantify. Accordingly, in addition to other remedies available to the City for an Event of Default, Tenant must pay the City as liquidated damages (and not as a penalty) in connection with such loss of goodwill the amount of \$50 per hour per Retail Space, beginning as of the time that the City first notifies Tenant that it is not operating the Concession in accordance with the time requirements of this Agreement. The obligation to make payments of liquidated damages will continue until the earliest of: (i) the time that the affected portion of the Retail Space re-opens for business; (ii) the date that this Agreement expires or is terminated with respect to the affected portion of the Retail Space; and (iii) the date that the Commissioner receives possession of the affected portion of the Retail Space.

4.6 Personnel.

A. Staff.

(i) Tenant must maintain a full time, fully trained staff during the Term of this Agreement having sufficient size, expertise and experience to operate the Concession. Tenant must maintain an adequate sales force so as to maximize Gross Revenues and use the utmost skill and diligence in the conduct of its Concession operations. A minimum of two staff members must be present during all hours of operation.

(ii) All employees of Tenant must at all times be clean, courteous, neat in appearance and helpful to the public, whether or not on duty. While on duty, Tenant's employees must wear Airport identification badges (and any other form(s) of identification that may be required by the Commissioner or CMR from time to time) and are required to wear uniforms in good taste, the color and style of which Tenant selects. Tenant may make the arrangements with its own employees as it considers appropriate regarding the purchase and maintenance of standard uniforms. The City is entitled at any time to direct Tenant to require any of its employees not properly attired to immediately conform to the requirements of this Section or leave the Leased Space. Tenant must not permit its employees to use any portion of the Terminal Common Spaces, including the public washrooms located there, for the changing of clothes or the storage of their personal effects, nor may Tenant permit its employees to loiter in the Common Areas of the Terminals, including but not limited to the Food Court Common Area.

(iii) Tenant and its personnel must at all times participate and cooperate fully in all quality assurance programs that may be instituted by the Commissioner or CMR from time to time. Tenant must cause its personnel to attend all customer service training meetings and participate in such other programs as may be required by the Commissioner or CMR. An appropriate officer or management representative of Tenant must meet with the Commissioner or CMR as requested by the Commissioner or CMR to discuss matters relating to this Agreement, including merchandising and marketing plans. In addition, at the request of the Commissioner or CMR, an appropriate officer or management representative of Tenant must attend other meetings with the City, airlines, other users of the Terminals or any other parties designated by the Commissioner or CMR.

(iv) The Commissioner reserves the right to object to any of the personnel responsible for the day-to-day operation of the Concession. Upon receipt of such objection, Tenant must use its best efforts to resolve the cause for Commissioner's objection or replace the objectionable personnel with personnel satisfactory to the Commissioner.

(v) In the event that Tenant was not the existing tenant in the Leased Space prior to the Effective Date, Tenant and its subtenants, if any, will work cooperatively in attempting to retain existing concession employees working in the Leased Space. This will be accomplished by giving the existing concession employees working in the Lease Space prior to the Effective Date preferential interviews for jobs in the Leased Space during the term of this Agreement.

B. General Manager. Tenant must designate a General Manager experienced in management and supervision who has sufficient authority and responsibility to administer and manage the Concession. The General Manager (or authorized representative) must be

immediately available to the Department whenever any of the Retail Spaces are open. The base of operations of the General Manager must be at the Airport, and the General Manager must spend substantially all of his or her working hours at the Airport, unless the Commissioner approves in writing another arrangement. The General Manager is subject to removal at the direction of the Commissioner if the Commissioner reasonably determines, in her sole discretion, that the General Manager is not performing up to standards consistent with the fulfillment of Tenant's obligations.

C. Salaries. Salaries of all employees of Tenant and its Subcontractors performing services or Work under this Agreement must be paid unconditionally and not less often than once a month without deduction or rebate on any account, except only for those payroll deductions that are mandated by law or permitted by the applicable regulations issued by the United States Secretary of Labor under the "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; 18 U.S.C. § 874, and 40 U.S.C. § 276c). Tenant must comply with all applicable "Anti-Kickback" regulations and must insert appropriate provisions in all Subcontracts covering Work under this Agreement to insure compliance of all Subcontractors with those regulations and with the other requirements of this subsection, and is responsible for the submission of affidavits required under them, except as the United States Secretary of Labor may specifically provide for variations of, or exemptions from, the requirements of them.

4.7 Operation and Maintenance.

A. The City, at its sole cost and expense, will keep in good repair the Common Areas, including the roof, structures, foundations and central mechanical, plumbing and electrical systems in the Airport providing heating, ventilation, cooling, water, sewage and electrical service to the Terminals. The City will provide, without separate charge to Tenant, heating, ventilating and cooling of the Common Areas. The Commissioner reserves the right to interrupt temporarily the heating, air cooling, ventilation, plumbing or electrical services furnished to the Common Areas, the Terminals or the Airport as a whole to make emergency repairs or for other reasonable purposes, and the Commissioner will restore the services as soon as reasonably possible. The City has no responsibility or liability for failure to supply heat, air cooling, ventilation, plumbing, electrical or any other service to the Leased Space, the Common Areas, the Terminals or the Airport, when prevented from doing so by laws, orders or regulations of any federal, state or local governmental requirement (including any requirement of any agency or department of the City) or as a result of the making of repairs or replacements, fire or other casualty, strikes, failure of the utility provider to provide service or due to any other matter not within the City's reasonable control.

B. (i) Tenant must provide all cleaning and janitorial services to the Leased Space. Tenant must clean, maintain and repair (including replacements, where necessary) the Leased Space and Improvements in first-class condition and repair during the entire Term.

(ii) Tenant must provide and maintain the tables and chairs in the Food Court Common Area adjacent to the Leased space.

(ii) Tenant is responsible for pest control within the Leased Space by contracting with

a professional pest control service to provide service on a regular basis or as needed, or at the Commissioner's election, the City or CMR may provide or contract for the pest control and charge Tenant a reasonable charge for the service. If the Commissioner so requires, Tenant must coordinate all pest control service with the City's or CMR's pest control contractor. Tenant must furnish the Commissioner and CMR a copy of its pest control contract and service records upon request.

(iii) Tenant must, at its own expense, keep the kitchen waste and exhaust system, including the grease trap and all risers, piping and fans used in connection with the waste and exhaust systems, whether located in or outside of the Leased Space, and all other pipes or ducts used by Tenant, including black iron duct, in good repair and so as to meet the highest standards of cleanliness, health, and safety, in a manner consistent with the operation of a first-class restaurant and in accordance with all applicable laws, codes and regulations of any governmental authority having jurisdiction. Tenant must clean grease pans on a regular basis. Tenant must properly maintain the grease trap to prevent any overflow or discharge of grease. The grease trap and all plumbing pipes must be rodded and cleaned regularly and as often as necessary to prevent clogging or discharge. Tenant must not permit any grease to be discharged into the City's plumbing lines. If fixtures or equipment are installed in or attached to roof vents or other openings in the structure or to ducts that connect with the openings, Tenant must keep the ducts, vents and openings free from the accumulation of grease, dirt and other exhaust matter and must furnish and service any filters or other equipment necessary to prevent such accumulation. Tenant must keep the exhaust fan in good condition and repair so as to provide at least the air flow velocities required by applicable codes and regulations. Without limiting the foregoing, Tenant must clean black iron duct twice yearly, or more often as may be required by any local governmental codes, regulations or officials, insurance requirements or applicable industry standards, whichever is more restrictive.

Tenant must maintain all fire detection and fire suppression systems and mechanisms in accordance with all applicable laws, codes and the requirements of all applicable policies of insurance and insurance inspectors and of the City. Tenant must not cause or permit any damage to insulation and fire protection materials surrounding the black iron duct. In addition to Tenant's obligation to maintain utility lines in the Leased Space as set forth in Section 4.8 below, Tenant must install and maintain in good working order and in accordance with the rules and regulations of all insurers and applicable laws, codes, and regulations of any governmental authority, all fire extinguishing systems in the Leased Space.

Upon request, Tenant must provide CMR with monthly repair and maintenance reports detailing all repair and maintenance undertaken with respect to its Leased Space. In the event that such repair and maintenance reports indicate that Tenant is not complying with its repair and maintenance obligations, it shall be an Event of Default. In addition to any other remedies available to the City, if Tenant fails to undertake required repair or maintenance within 5 days after receiving notice from the Commissioner (or such shorter time as may be required due to health or safety reasons) the City may undertake the required repair or maintenance through

a City contractor or its own forces and charge Tenant the reasonable cost thereof as Additional Rent.

- (iv) To the extent any City ordinance imposes a stricter standard than the requirements of this section, the stricter standard must govern. With respect to a Leased Space that has been designated to be relocated, if any, Tenant's obligations with respect to repair and maintenance will continue until such time as Tenant has completed the Improvements in the Relocation Space to which the affected Leased Space is being relocated.
- (v) Any damage to property of the Airport or property of other tenants arising out of Tenant's failure to perform its maintenance obligations is expressly deemed a "Loss" subject to Tenant's indemnification obligations under Section 8.2.

C. Food Court Common Areas.

To the extent that any of Tenant's Retail Space is located adjacent to a Food Court Common Area, the following provisions apply to such Retail Space:

- (i) Tenant has the non-exclusive right to use the Food Court Common Area, in common with other tenants and their customers, on the terms and conditions established by the City and as may be revised during the Term at the City's sole discretion. That use does not include the right to wait on customers in the Food Court Common Area. The City reserves the right to establish and enforce the policies for the Food Court Common Area and tenants whose customers use the Food Court Common Area that the City determines are in the best interest of the overall operation of the Food Court Common Area, so that the City may properly and efficiently operate and manage it as a whole. Tenant must comply with these policies.
- (ii) Tenant must at all times in operating its business in the Retail Space abide by all rules and regulations applicable to tenants whose customers use the Food Court Common Area including those relating to: (a) the health and sanitary conditions of the Retail Space, the Food Court Common Area and the employees of Tenant; (b) standards and quality of Products, services, and merchandising as determined by the City; (c) customer relations; and (d) other matters as the City determines applicable with respect to the operation of the Food Court Common Area and the business conducted by Tenant and all other tenants whose customers use the Food Court Common Area.
- (iii) The City will be responsible for the operation, repair and maintenance of the Food Court Common Area. Food Court CAM Costs include all costs incurred by the City in the repair and maintenance of the Food Court Common Area, including corridors and seating areas, and include, but are not limited to costs of: painting; cleaning; trash and grease removal; operation, maintenance and repair and

replacement of all lighting, electrical, plumbing, HVAC and other mechanical and utility systems; cleaning and retrieval of trays; water, power, gas and sewerage charges; wages and salaries (including employee benefits, unemployment, Social Security and Medicare, and any other payroll taxes) for employees performing operation, maintenance and repair of the Food Court Common Area; materials, equipment, supplies and services purchased for operation, maintenance and repair of Food Court Common Area; required permits and licenses; reasonable straight-line depreciation of movable equipment (including tables and chairs) used in the operation, maintenance or repair of the Food Court Common Area; rental of any equipment used in the operation, maintenance or repair of the Food Court Common Area; and all other direct costs and expenses properly chargeable to the operation, maintenance or repair of the Food Court Common Area. Neither the City nor any company, firm or individual operating, maintaining, managing or supervising the Food Court Common Area, nor any of their respective agents or employees, are or will be liable to Tenant or to any of Tenant's employees, agents, customers or invitees or anyone claiming through or under Tenant, for any damage, injuries, losses expenses, claims or causes of action because of any interruption or discontinuance at any time for any reason in furnishing services relating to operation, maintenance and repair of the Food Court Common Area, nor will any such interruption or discontinuance be deemed a disturbance of Tenant's use or possession of the Leased Space or any part of it; nor will any such interruption or discontinuance relieve Tenant from full performance of Tenant's obligations under this Agreement. Tenant is responsible for providing seating and chairs for Food Court Common Area directly adjacent to Tenant's Leased Space.

4.8 Utilities.

A. Tenant must pay for all utilities furnished to the Leased Space, to the extent separately metered. All utilities must be separately metered for usage within a Leased Space except to the extent that the Commissioner agrees otherwise in writing. Notwithstanding the foregoing, in the event that water/sewage is not separately metered, the City may charge Tenant for water/sewage based on a reasonable estimate of usage given the nature of the Concession.

B. In addition to payment for utility service, Tenant must maintain utility lines to the Leased Space as follows:

- (i) where the utility lines, including gas, electrical, telephone, hot and cold water, fire sprinkler, gas, and sewer serve both the Leased Space and other areas of the Terminals, Tenant is only obligated to maintain those branch lines and facilities that exclusively serve the Leased Space; and
- (ii) where such utility lines are entirely for the exclusive service of the Leased Space, Tenant is obligated to maintain the utility lines from the Leased Space up to the main entry point of the utility to the Terminal(s). Alternatively, the City may, at the Commissioner's sole discretion, maintain such utility lines and charge Tenant

the reasonable cost of the maintenance.

- (iii) Tenant must maintain all electrical cables, conduits, wiring, fire alarm systems, electrical panels and associated equipment located within and serving the Leased Space.

4.9 Refuse Handling.

A. Tenant, at its own cost and expense, must provide for the handling of all refuse, including trash, garbage, recycling and other waste created by its Concession operations and for their disposal at a centrally located collection area within the Airport designated by the Commissioner from time to time. Within its Leased Space, Tenant must provide a complete and proper arrangement for the adequate sanitary handling and disposal of trash, garbage, recycling and other refuse resulting from its Concession operations. Tenant must provide and use suitable covered metal receptacles for all trash, garbage, recycling and other refuse in accessible locations within the boundaries of each Leased Space. Piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner on or about the Leased Space or the Common Areas is forbidden. The Commissioner reserves the right, from time to time, to establish time periods or schedules during which Tenant must remove refuse from the Leased Space.

B. Tenant must comply with all present and future laws, orders and regulations and any rules and regulations promulgated by the Commissioner regarding the separation, sorting and recycling of garbage, refuse and trash, including but not limited to those policies, rules and regulations incorporated in the Airport Concessions Program Handbook and the Sustainable Airport Manual. Tenant must separate and appropriately dispose of recyclable and non-recyclable waste, including organic materials. Recyclable waste includes newspaper, unsoiled paper products, cardboard, plastic, aluminum and glass. Tenant is encouraged to use service goods made from recycled and recyclable materials. All recyclable waste will be disposed at the direction of the CDA. The CDA may also require sorting and disposal of compostable/organic wastes, including food scraps and soiled paper products. Tenants must therefore also provide for the separation of pre-consumer compostable/organic waste for composting. Tenants are expected to fully comply with CDA's waste recovery program by sorting, to the maximum extent possible, recyclable and compostable waste from that which will be sent to landfill.

4.10 Promotion.

A. Signs and Advertising. Tenant may, at its own expense and subject to obtaining any necessary permits, install and operate necessary and appropriate identification signs in and on the Retail Space for its promotional use (identifying the Concession operations at the Retail Space in question or the Products sold there). All such signage (especially all signage visible from the Common Areas) must be in compliance with signage and other applicable criteria adopted by the Commissioner or other City agencies from time to time and subject to the prior written approval of the Commissioner as to the number, size, height, location and design (as applicable). Tenant must not install, affix, or display any signage outside the Retail Space except as permitted by the Department. Without the prior written consent of the Commissioner, Tenant and its Subcontractors must not distribute any advertising, promotional or informational

pamphlets, circulars, brochures or similar materials at the Airport except within the Retail Space and except as are related to Tenant's Concession.

B. Marketing and Advertising Fund. The Department operates a marketing fund (“**Fund**”) for the purpose of financing a program for advertising and promoting Concessions at the Airport. The Program may include advertising, media placements, special events, promotional events, brochures, videos and catalogs, mystery shops, market research and surveys, customer service training etc., as appropriate. The Program will be funded by contributions from the Tenant and other tenants at the Airport. Tenant will contribute an amount of \$1,500 per Lease Year to the Fund. All contributions to the Fund may only be expended for the promotion of concessions and marketing-related staff activities at the Airport and for no other purposes. Tenant shall make its contributions to the Fund monthly in arrears concurrently with its Rent payment under this Agreement. The City may, but is not required to, contribute to the Fund. Tenant has no ownership or beneficial interest whatsoever in the Fund or any unspent moneys therein.

4.11 Distribution and Storage; Deliveries.

A. It is necessary, due to the number of Concession tenants in the Airport, that the Commissioner protect the Common Areas and the Terminal curbfront for the flow of airline passengers. Therefore, Concession deliveries must be made only within the times and at the locations authorized by the Commissioner or his designated representative and otherwise in accordance with the terms of this Agreement. All deliveries that require access to the aircraft operations area (“**AOA**”) must be made by vehicles and drivers qualified and permitted to drive over AOA roadways.

(i) O’Hare. There is currently no central distribution and storage facility at O’Hare; however, the City intends to implement such a facility during the Term of this Agreement. Thereafter, at the option of the Commissioner, after first giving reasonable notice to Tenant, the Commissioner may require Tenant to arrange for all deliveries to the central distribution and storage facility, except where delivery to a third party is prohibited by law, such as delivery of liquor, or as otherwise approved by the Commissioner in writing. At the Commissioner's sole discretion, the central distribution and storage facility, if implemented, may be operated by a third party contractor selected or approved by the Commissioner. If the central distribution and storage facility is implemented, Tenant must pay the City, or the third party operator, Tenant's proportional share of the cost for deliveries to and distribution from the facility (“**Distribution Fee**”) as determined by the Commissioner. Such Distribution Fee will be intended to cover the costs of delivery as well as development, utility, operation and maintenance costs and other costs associated with the opening and/or operation of the central distribution and storage facility and is considered to be Additional Rent.

(ii) Tenant acknowledges that the City will not be responsible for and will have no liability related to the operation of (or the failure to operate) the central distribution and storage facility at either Airport, including lost profits, consequential damages or any other losses or

damages whatsoever.

4.12 Certain Rights Reserved By the City.

A. Except as expressly provided otherwise in this Agreement: the City has the rights set forth below, each of which the City may exercise with notice to Tenant and without liability to Tenant for damage or injury to property, person or business on account of exercising them; the City's exercise of any such rights is not deemed to constitute a breach of this Agreement or a disturbance of Tenant's use or possession of or Lease to the Leased Space; the City's exercise does not give rise to any claim, including for set-off or abatement of Rent; the City's exercise also does not relieve Tenant of any obligation to pay all Rent when due. The rights include the rights to:

- (i) Install, affix and maintain any and all signs on the exterior and on the interior of the Terminals;
- (ii) Decorate or to make repairs, inspections, alterations, additions, or improvements, whether structural or otherwise, in and about the Terminals, or any part of them, and for such purposes to enter upon the Leased Space, and during the continuance of any of the work, to temporarily close doors, entryways, public space and corridors in the Terminals, and to interrupt or temporarily suspend services or use of facilities, all without affecting any of Tenant's obligations under this Agreement, so long as the Leased Space is reasonably accessible and usable;
- (iii) Upon request, require Tenant to furnish the Department with copies of door keys for the entry doors of the Leased Space, where applicable, and to retain them at all times, and to use in appropriate instances, keys, including master keys and passkeys, to all doors within and into the Leased Space, but the keys will at all times be kept under adequate and appropriate security by the Department. Tenant must not change any locks, nor affix locks on doors without the prior written consent of the Commissioner. Notwithstanding the provisions for the Department's access to the Leased Space, Tenant releases the City from all responsibility arising out of theft, robbery, pilferage and personal assault unless the same results from the City's gross negligence or willful misconduct. Upon the expiration of the Term of this Agreement or Tenant's right to possession of the Leased Space, Tenant must return all keys to the Concession Management Representative and must disclose the combination of any safes, cabinets or vaults left in the Leased Space;
- (iv) Approve the weight, size and location of safes, vaults and other heavy equipment and articles in and about the Leased Space and the Terminals so as not to exceed the legal load per square foot designated by the structural engineers for the Airport, and to require all such items and furniture and similar items to be moved into or out of the Terminals and the Leased Space only at the times and in the manner as the Commissioner directs in writing. Tenant must not install or operate machinery or any mechanical devices of a nature not directly related to Tenant's

ordinary use of the Leased Space without the prior written consent of the Commissioner. Movements of Tenant property into or out of the Terminals or the Leased Space and within the Terminals are entirely at the risk and responsibility of Tenant, and the Commissioner reserves the right to require permits before allowing any property to be moved into or out of the Terminals or the Leased Space;

- (v) Establish controls for the purpose of regulating all property and packages, both personal and otherwise, to be moved into or out of the Terminals and the Leased Space;
- (vi) Regulate delivery and service of supplies and the usage of the apron area, loading docks, receiving areas and freight elevators and designate the times within which, and the locations at which, deliveries may be made to or by Tenant;
- (vii) Show the Leased Space to prospective Tenants and subtenants at reasonable times and, if vacated or abandoned, prepare the Leased Space for re-occupancy;
- (viii) Erect, use and maintain pipes, ducts, wiring and conduits, and appurtenances to them, in and through the Leased Space at reasonable locations;
- (ix) Enter the Leased Space for the purpose of periodic inspection for fire protection, maintenance and compliance with the terms of this Agreement, including but not limited to the Airport Concession Handbook, and exercise any rights granted to City or retained by City in this Agreement; except in the case of emergency, however, the right must be exercised upon reasonable prior notice to Tenant and with an opportunity for Tenant to have an employee or agent present;
- (x) Grant to any person the right to conduct any business or render any service in or to the Terminals or the Airport.
- (xi) Promulgate from time to time rules and regulations regarding the operations at the Airport; and
- (xii) Maintain newspaper vending machines at any location in the Airport.

B. If Tenant is required to perform any sprinkler Work, City reserves the right to perform the Work and charge the Tenant for the cost of the sprinkler Work and specify charges as Additional Rent under the Agreement or to approve Tenant's proposed sprinkler contractor, at the Commissioner's sole option. If any sprinkler work requires a temporary shut-down and/or drainage of the sprinkler system or portion thereof in the Terminal, Tenant must pay an up-front fee of \$500 per occurrence in the form of a certified check or money order.

ARTICLE 5 LEASED SPACE AND IMPROVEMENTS

5.1 Leased Space. As provided in Section 4.1, the City grants Tenant the right to use the Leased Space identified in Exhibit 1, or portions thereof, from the date of delivery of each

portion of the Leased Space through the remainder of the Term of this Agreement for the operation of the Concession, except as otherwise provided for herein. Exhibit 1 may be amended by agreement of the Tenant and the Commissioner from time to time to reflect changes in Leased Space, including but not limited to any Additional Space or Relocation Space. As of the Effective Date, all square footage identified in Exhibit 1 is approximate, and is subject to final correction in accordance with field measurements to be taken after completion of the Improvements. All such measurements relating to the Leased Space will be made to and from the "lease lines" as identified on Exhibit 1. Tenant must confine all of its Concession operations to its Leased Space. Any conduct of Concession operations outside of Tenant's Leased Space is an Event of Default.

A. Retail Space. The Leased Space includes the Retail Space identified in Exhibit 1. Retail Space is to be used for the sale of Products at retail to the public.

B. Storage Space. The Leased Space includes the Storage Space, if any, identified in Exhibit 1. Storage Space is to be used to store inventory and supplies for use in the Retail Space. It may be used for other purposes relating to the Concession with the consent of the Commissioner, but not as a point of retail sale of Products. If the Commissioner determines that Tenant is using Storage Space for purposes unrelated to the Concession, the Commissioner may unilaterally delete the Storage Space from the Leased Space. If the Commissioner determines that the size of the Storage Space exceeds the needs of the Tenant, the Commissioner may unilaterally reduce the size of the Storage Space.

C. Additional Space.

- (i) During the Term, the Commissioner may from time to time, at his/her sole discretion, make Additional Space available in the Terminals for Tenant's Concession operations. In such event, the Commissioner will send written notice to Tenant to advise Tenant of the following:
 - a. size and location of the Additional Space being offered, if any;
 - b. whether the Additional Space is being offered as Retail Space or Storage Space; and
 - c. the City's Shell and Core obligations and Tenant's Improvement obligations for the Additional Space.

Within 30 days after receiving the notice from the Commissioner, Tenant must notify the Commissioner if it accepts or rejects the Additional Space and, if the Additional Space is Retail Space, the proposed Improvements and the amount by which Tenant proposes to increase its Minimum Annual Guarantee to reflect the anticipated increase in Gross Revenues from the Additional Space. Upon notification from Tenant to the Commissioner that Tenant accepts the Additional Space and, if the Additional Space is Retail Space, acceptance by the Commissioner of the proposed Improvements and increase in the Minimum Annual Guarantee, the square footage will be added to the Retail Space or Storage

Space, as applicable, under this Agreement and Exhibits 1 and 2 modified accordingly. Upon notification from Tenant to the Commissioner that it rejects the Additional Space or if Tenant fails to notify the Commissioner within 30 days that it accepts the Additional Space, the offer will terminate and the Commissioner may offer the Additional Space to others.

- (ii) Nothing in (i) above requires the Commissioner to offer any Additional Space to Tenant or limits or restricts the Commissioner's or the City's right to enter into any Concession agreement with any third party for such space. **Additional Space, if any, offered to Tenant is solely for the benefit of the Airport to enhance Airport revenues, and whether or not to offer such Additional Space to Tenant is at the Commissioner's sole and absolute discretion. TENANT HAS NO RIGHT TO BE OFFERED ANY ADDITIONAL SPACE.**
- (iii) The maximum aggregate amount of Retail Space that may be offered to Tenant as Additional Space is 2,000 sq. ft.

D. Relocation Space. The Commissioner may at any time during the Term require Tenant to relocate all or portion of the Leased Space to another location within the Airport and terminate the Lease with respect to the Leased Space being vacated when, in the sole discretion of the Commissioner, the relocation is necessary for other Airport purposes or is in the best interest of the City. In such an event:

- (i) The Commissioner will notify Tenant in writing within a reasonable period of time prior to the relocation of all or part of the Leased Space. Such notice will be not less than 90 days in advance of the relocation but, in any event, notice is not required more than 180 days in advance.
- (ii) If a Retail Space is being relocated and the Relocation Space has, in Tenant's reasonable business judgment, diminished size, visibility, and/or exposure to passenger traffic in comparison to the Retail Space being vacated, Tenant may so notify the Commissioner in writing no later than 15 days after Tenant receives the Commissioner's notice. Such notice must detail with reasonable specificity why Tenant believes that the Relocation Space is not comparable to the Retail Space being vacated and the projected adverse impact on Tenant's sales. Tenant and Commissioner may thereafter negotiate an adjustment in the Percentage Fee and/or the Minimum Annual Guarantee for the Relocation Space to reflect the differences in size, visibility, and/or passenger traffic. If the Tenant and Commissioner fail to agree on such an adjustment or if Tenant otherwise rejects the Relocation Space, then the Lease for the Retail Space being vacated will terminate on the date for the relocation set forth in the Commissioner's notice, and the Minimum Annual Guarantee as of such date will be adjusted in proportion to the percentage of Tenant's Gross Revenues from prior Lease Year that were generated at the Retail Space being vacated. Further, if the Lease of the Retail Space being vacated is terminated, Tenant is entitled to a credit, equal to the

unamortized portion of Tenant's actual Improvement Costs for the Retail Space being vacated (but excluding any Improvement Costs for Tenant personal property or any portion of the Improvements that can be moved and used by Tenant elsewhere), against Rent due and owing to the City from Tenant until the full amount of the credit has been applied against Rent.

- (iii) Except when Tenant rejects Relocation Space pursuant to (ii) above, the City is responsible for costs incurred in the relocation or replication of the Improvements in the Leased Space being vacated, including the cost of moving Tenant's equipment and inventory and the cost of constructing replacement Improvements comparable to the condition of the Improvements in the Leased Space being vacated as of the date of relocation, to the extent comparable Improvements do not already exist in the Relocation Space. In the case of a relocation, Tenant must promptly vacate the portion of the Leased Space required to be vacated and as to which this Agreement is being terminated and return the portion of the Leased Space in as good or better condition as existed as of the date that the City gave Tenant possession of the Leased Space being vacated, unless the Commissioner otherwise agrees in writing. The City will endeavor not to require Tenant to move from the Leased Space being vacated to the Relocation Space before Work on Improvements in the Relocation Space is completed, but the Leased Space being vacated may be needed for other Airport purposes prior to the completion of Improvements in the Relocation Space. Because the City is replacing Improvements in kind, Tenant is not entitled to any credit for unamortized Improvement Costs for the Leased Space being vacated, and the unamortized Improvement Costs for the Leased Space being vacated will be deemed to be the unamortized Improvement Costs for the Relocation Space and continue to be amortized on the same schedule as the original Leased Space.

5.2 Title to Property in the Leased Space. Tenant shall retain title and ownership to all Products and other Tenant personal property and proprietary trade fixtures in the Leased Space, except in the event of deemed abandonment, as provided in Section 6.3. The City owns all other property in the Leased Space, including the Shell and Core and, upon completion, Tenant Improvements.

5.3 Shell and Core. The City is responsible for providing Shell and Core, if any are specified in Exhibit 4, for the Leased Space. The City makes no warranty, either express or implied, as to the design or condition of the Leased Space, including the Shell and Core, or the suitability of the Leased Space, including the Shell and Core, for the Tenant's purposes or needs. The City is not responsible for any patent or latent defect, and Tenant must not, under any circumstances, withhold any amounts payable to the City under this Agreement on account of any defect in the Leased Space, including the Shell and Core; if feasible, however, the City will assign to Tenant any warranties obtained from the City's contractor for the Shell and Core and/or the right to enforce City's rights under its contract for the Shell and Core. After the City delivers the Shell and Core to Tenant, Tenant must immediately notify the Commissioner of any defects

in the Shell and Core.

5.4 Tenant's Improvement Obligations.

A. Retail Space and Storage Space. Unless otherwise agreed in writing by the Commissioner, Tenant must complete, or cause to be completed, the Improvements as described in the Development Plan. Improvements shall be at Tenant's sole cost and expense and must be completed on or before the Date of Beneficial Occupancy set forth for each portion of the Leased Space in accordance with the schedule set forth in the Development Plan, subject to Section 11.20, "Force Majeure". Failure to achieve DBO for the Improvements in accordance with the schedule in the Development Plan will result in liquidated damages pursuant to Section 5.5(J).

B. Additional Space. Tenant must complete or cause to be completed, at Tenant's sole cost and expense, the Improvements for each Additional Space approved by the Commissioner by the proposed Date of Beneficial Occupancy applicable to each such Additional Space, at a total investment in Improvement Costs for each permanent Additional Space of at least 95% of the budget approved by the Commissioner.

C. Temporary Relocation Space and Additional Space. The Commissioner may require Tenant to operate the Concession, prior to the Date of Beneficial Occupancy applicable to any Relocation Space and Additional Space, from a temporary Relocation Space, at City's sole cost and expense. If approved by the Commissioner, Tenant may use temporary or used fixtures, trade fixtures and equipment and is not required to install Improvements except to the extent necessary to make the temporary Relocation Space useable.

D. Improvement Costs. Only Improvement Costs of the types set forth in the budget in the Development Plan are deemed to be validly incurred Improvement Costs for purposes of this Agreement. Tenant must provide the Commissioner with a statement certified by Tenant, setting forth the aggregate amount of the Improvement Costs expended by Tenant for each Leased Space, with such detail as may be reasonably requested by the Commissioner. The certified statement must be submitted at the same time as the "as-built" drawings for the Leased Space. Tenant must make available to the Commissioner, at the Commissioner's request, receipted invoices for labor and materials covering all Improvement Costs. The Commissioner has the right to audit the Improvement Costs. If there is a discrepancy of 5% or more, the cost of the audit must be paid promptly by Tenant upon request. If the Tenant's actual Improvement Costs for any portion of the Leased Space are less than 95% of the amount set forth in the Development Plan for said portion of the Leased Space, Tenant must, within 30 days after the date of completion of the Work or the Date of Beneficial Occupancy, whichever is earlier, pay the City the difference between 95% of the amount set forth in the Development Plan and the actual Improvement Cost for said portion of the Leased Space. The actual Improvement Costs, as approved by the Commissioner, will be memorialized in the confirmation of DBO for the Leased Space in question and attached to Exhibit 1.

5.5 Work Requirements.

A. TIME IS OF THE ESSENCE IN THE PERFORMANCE OF WORK UNDER

THIS AGREEMENT.

B. Compliance with Standards. Tenant must comply in its design, construction, use, occupancy and operation of the Leased Space, at its own cost, with:

- (i) all regulations and directives now or later promulgated by the United States Federal Aviation Administration (“FAA”) or Transportation Security Administration (“TSA”) pertaining to airport security, as such regulations and directives may be amended or modified from time to time during the Term of this Agreement;
- (ii) all federal, State of Illinois, and City laws, rules, regulations and ordinances, including all building, zoning and health codes and all Environmental Laws; and
- (iii) the Design and Construction Standard Operating Procedures- Concessions Projects (“C-SOP”) C-SOP, the Airport Concession Program Handbook, and the Sustainable Airport Manual.

Tenant must complete or cause to be completed all Improvements in accordance with all rules, regulations and standards, including the C-SOP, and the approved Construction Documents (as defined below) for any Improvements. If there is a conflict between work requirements stated in this Agreement and those set forth in the C-SOP, the Commissioner has the sole discretion to determine which prevails. No construction must take place until the Commissioner has approved the Construction Documents.

Tenant must provide for any supplemental heating, cooling and exhaust facilities that Tenant may require to properly heat, cool, ventilate and exhaust air in the Leased Space. All such supplemental facilities must be designed and installed in accordance with the C-SOP and applicable building codes, and must be approved by the Commissioner prior to installation. If at any time the Tenant’s supplemental heating, cooling and exhaust facilities fail to comply with the design and operational standards set forth in the C-SOP, Tenant must, on notice from the City, cause repairs to be made so that Tenant is in compliance with this requirement.

In addition to the requirements set forth in the C-SOP, Tenant acknowledges the City’s goal to incorporate environmentally sustainable design in building, infrastructure, and tenant improvements at the Airport. Accordingly, Tenant agrees to use best efforts to incorporate sustainable design practices in the development and build out of the Leased Space, to engage a LEED® (Leadership in Energy and Environmental Design) accredited professional on its architectural team, to create an operational plan that incorporates sustainable practices in all aspects of the daily operation of the Leased Space, and to comply to the extent that it is commercially reasonable to the requirements of the Sustainable Airport Manual.

C. Development Plan. Tenant’s Development Plan, as approved by the Commissioner, is attached hereto as Exhibit 3. It describes and depicts the Tenant’s thematic concept for the Retail Space (including storefront design images, as appropriate), floor plan(s) of the Retail Space, its plan and schedule for implementing the Improvements and commencing Concession operations in the Leased Space, temporary facilities that may be necessary to meet

the requirements of this Agreement, and its other submission requirements as set forth in the C-SOP. The Development Plan must include the anticipated Date of Beneficial Occupancy of each Retail Space, the budgeted Improvement Costs for each Retail Space, and the dates by which City must complete the Shell and Core and the Delivery Date necessary in order to achieve the anticipated DBO for each Retail Space.

D. 30, 60, 90 and 100 Percent Design Phase. Tenant must submit to the Commissioner its proposed 30, 60, 90, 100 Percent design drawings and specifications prepared as required under the C-SOP. The C-SOP outlines the timing and expectations for submissions at each percentage of the design phase. . The C-SOP also provides the timing of the review by the Commissioner. Tenant must adhere to the time required to respond to the Commissioner's comments as outlined in the C-SOP. If Tenant fails to provide acceptable designs, after 5 attempts, an Event of Default can be declared by the Commissioner.

E. Start of Construction. For each portion of the Leased Space, within 10 days after the latest of occur of: 1) the date the City delivers to Tenant possession of said portion of the Leased Space, 2) the date Tenant has obtained applicable building permits for said portion of the Leased Space, and 3) the date of commencement of construction set forth in the Development Plan, Tenant must begin construction of the Improvements under and consistent with the approved Construction Documents, in a diligent, first-class and workmanlike manner. Commissioner may require Tenant and its Subcontractors to meet with the Department's construction manager and Concessions Management Representative prior to starting construction. Among other requirements, the Improvements:

- (i) Must conform with all architectural, fire, safety, zoning and electrical codes and all federal, State, City and other local laws, regulations and ordinances pertaining to them, including the ADA, and all Airport standards, procedures and regulations.
- (ii) Must be free and clear of any mechanics' or materialmen's liens or similar liens or encumbrances.
- (iii) Except as otherwise provided in this Agreement, must be completed entirely at Tenant's cost and expense and in accordance with the requirements of this Agreement including, but not limited to, the requirements and procedures set forth in the C-SOP.
- (iv) Upon the request of the Commissioner, Tenant must purchase and install a security camera and connect the camera feed into a junction box at a location to be determined by the Commissioner. Tenant will permit the Commissioner to connect the security camera to the Airport security system.

Approval of the Construction Documents by the Commissioner does not constitute his/her or the City's representation or warranty as to their conformity with any architectural, fire, safety, zoning, electrical or building code, and responsibility therefore at all times remains with Tenant.

Tenant must not permit its design and construction Subcontractors to make any modifications to base building systems without prior written consent of the Commissioner. .

F. Change Order Review. Tenant must cause all Work to be performed in a first class, good and workmanlike manner and in accordance with the Construction Documents. Tenant may request in writing that change orders relating to the Work be responded to by the City, and the City will so respond within 10 days, unless a response within 10 days is unreasonable in the circumstances, in which case the response period will be as reasonably determined by the City but in no event longer than 20 days. At all times during the Work, Tenant must have on file with the Commissioner and on the construction site for inspection by the Commissioner, a copy of the approved Construction Documents. Tenant must immediately begin to reconstruct or replace and diligently pursue to completion, at its sole cost and expense, before or after completion of the Work, any Work that is not performed in accordance with the Construction Documents as approved by the Commissioner.

G. Inspection of Improvements in Progress. The Department has the right to enter upon the Leased Space for the purposes of inspecting and recording the Improvements in progress, ensuring that Tenant's construction complies with the Construction Documents, and rejecting any such construction that does not so conform

H. Notice of Substantial Completion and Inspection. At least 10 days prior to anticipated substantial completion of the construction of a Leased Space, Tenant must deliver to the Commissioner a “**notice of substantial completion**” in order for the Commissioner to schedule a representative to inspect the Improvements. On the date specified in the notice of substantial completion, the Department will perform a final inspection of the Improvements for compliance with the Construction Documents for the Improvements, and will, not later than 10 days after inspection, provide a punch list to Tenant describing in sufficient detail any discrepancies between the Improvements and the Construction Documents. Tenant must cause all discrepancies (other than those approved by the Commissioner as variances) to be reconstructed, replaced or repaired in substantial accordance with the Construction Documents. Within 10 days after the date of substantial completion and prior to commencing Concession operations in Leased Space, Tenant must provide, as evidence of the substantial completion of the Work, copies of any and all Certificates of Occupancy and other approvals, if any, necessary for Tenant to occupy the portion of the Leased Space for its intended use. Tenant shall not commence Concession operations in the Leased Space until such documents have been received by the Commissioner and until authorized to do so by the Commissioner.

I. Timeliness - Punch Lists; Opening for Business. Tenant acknowledges that if it fails to comply with Construction Document requirements (including all tasks necessary to satisfy them, such as, but not limited to, applying at the earliest possible time for and diligently pursuing all necessary building permits), the delay may cause the City to suffer substantial damages, including loss of goodwill, that might be difficult to ascertain or prove. For that reason, but subject to extensions that may be approved by the Commissioner, if Tenant has not caused the Improvements to be substantially completed in accordance with the Construction

Documents and Retail Space to be open to the public for business not later than the scheduled Date of Beneficial Occupancy in the Development Plan:

- (i) Tenant must pay the City liquidated damages at the rate of \$250 per day for each day from and after the Date of Beneficial Occupancy, until the date on which the Retail Space actually opens to the public for business; and
- (ii) Tenant must cooperate with the Commissioner in providing the interim Concession operations from kiosks or other temporary locations, as the Commissioner may reasonably require, to serve the patrons of the Terminals until the applicable Improvements have been completed and the Retail Space is open to the public for business; and
- (iii) if, for any reason, Tenant fails to substantially complete the Improvements in accordance with the approved Construction Documents relating to them and open the Retail Space to the public for business within 30 days after the Date of Beneficial Occupancy, the failure is an Event of Default, and the City has the right to exercise any and all remedies under this Agreement, at law or in equity; and further,
- (iv) if Tenant is permitted to open for business in accordance with the schedule in the Construction Documents but any punch list items are not completed within 30 days following the date on which Tenant opens to the public for business, the Commissioner will assess liquidated damages against Tenant at the rate of \$250 per day per punch list item not timely completed; and
- (v) if Tenant is permitted to open for business but any punch list items are not completed within 60 days following the date on which Tenant opens to the public for business, the City reserves the right, at the Commissioner's sole discretion, to either:
 - a. complete the punch list Work at the City's cost and bill the Tenant for this Work, in which case the charges are considered Additional Rent; or
 - b. close the affected Retail Space until all outstanding punch list items are completed.

J. Post-construction Documentation. Tenant must submit a complete set of “**as-built**” drawings and documentation as outlined in the C-SOP to the Commissioner within 30 days after the date the Commissioner authorizes Tenant to begin Concession operations in the Leased Space. The as-built drawings and documentation are and become the property of the City, except to the extent of any intellectual property reflecting Tenant's trademarks, trade names or trade dress contained in them.

K. Mechanics' Liens. Tenant must not permit any mechanics' lien for labor or materials furnished or alleged to have been furnished to it to attach to any portion of the Leased Space, the Airport, Tenant's leasehold interest, or this Agreement in any way relating to any

work performed by or at the direction of Tenant. Upon making payments to Subcontractors, Tenant must obtain from each Subcontractor a waiver of mechanics' liens against any portion of the Leased Space, the Airport, Tenant's leasehold interest, or this Agreement arising out of any Work done by the Subcontractor and each and every of the Subcontractor's materialmen and workmen. If, nonetheless, any such mechanics' lien is filed upon any portion of the Leased Space, the Airport, Tenant's leasehold interest, or this Agreement, Tenant must indemnify, protect, defend and save harmless the City against any loss, liability or expense whatsoever by reason of the mechanic's lien and must promptly and diligently proceed with or defend, at its own expense, the action or proceedings as may be necessary to remove the lien. Tenant must deliver notice to the Commissioner of any such lien or claim within 15 days after Tenant has knowledge of it. Tenant may permit the mechanics' to remain undischarged and unsatisfied during the period of the contest and appeal; provided that, upon request by the Commissioner, Tenant must post a bond with the City equal to 150% of the amount of the lien. If the lien is stayed and the stay later expires or if by nonpayment of any lien any portion of the Leased Space, the Airport, Tenant's leasehold interest, or this Agreement will be, or is claimed to be, subject to loss or forfeiture, then Tenant must immediately pay and cause to be satisfied and discharged the lien. If Tenant fails to do so, the Commissioner may, in his or her sole discretion, draw on the bond and make such payment. If the Commissioner has not requested a bond, then the Commissioner may, in his or her sole discretion, make such payment out of legally available Airport funds and, in such event, the amount paid shall immediately be payable by Tenant as Additional Rent. Failure to post a bond when requested by the Commissioner or pay such Additional Rent shall be an Event of Default.

L. Mid-Term Refurbishment. Tenant must budget and expend such funds as necessary to undertake a mid-Term refurbishment of each Retail Space during or about the middle of the Term in order to ensure that each Retail Space presents a first-class appearance to the public. The minimum expenditure does not include financing costs, interest, and inventory or intracompany charges of the Tenant. The scope and extent of the renovation, remodeling, and upgrade and/or redecorating for such mid-Term refurbishment shall be jointly determined by the Commissioner and Tenant.

5.6 Damage or Destruction of Improvements.

A. Insubstantial Damage. If Improvements to any Leased Space are damaged, in whole or in part, by fire or casualty, and there is no Major Damage (as defined below) to the portion of the Terminals served by the damaged Improvements, then the City will repair any damage to the Shell and Core at the City's expense, and Tenant must repair the damage to the Improvements as soon as reasonably possible (after completion of the Shell and Core) at Tenant's expense.

B. Major Damage.

- (i) **"Major Damage"** means any damage or destruction that, based on reasonable estimates made by the Department within 60 days after the occurrence of the

damage or destruction, in order to be repaired to the condition existing before the damage or destruction:

- a. would cost, with respect to the Improvements, in excess of 50% of the replacement cost value of all Improvements; and
 - b. would cost, with respect to the Shell and Core, in excess of 50% of the replacement cost of the Shell and Core, or would require, in the sole judgment of the Commissioner, more than nine months to complete.
- (ii) If any part of the Terminals suffers Major Damage, whether or not including any portion of the Leased Space located in them, in whole or in part by fire or other casualty, the Commissioner has the right, for a period of six months starting on the date of the occurrence, to elect not to repair the Major Damage as otherwise required under this section, by giving written notice of the election to Tenant. If the Commissioner notifies Tenant of the Commissioner's election not to repair the Major Damage, this Agreement will terminate as to the affected Leased Space effective as of the date of the Major Damage, all Rent due under this Agreement will be prorated to the date of termination, and Tenant must surrender the affected portion of the Leased Space to the City.
- (iii) If any portion of the Leased Space suffers Major Damage, and if after the occurrence of the damage the Agreement is not terminated, the Commissioner and the Airport architect will estimate the cost of restoration and the length of time that will be required to repair the damage and will notify Tenant of the estimate. If the damage can be repaired and the Improvements restored before the Term expires, then Tenant must repair the damage and restore the Improvements. If repair and restoration cannot be substantially completed before the Term expires, then this Agreement terminates as to the portion of the Leased Space as of the date of the Major Damage.
- (iv) If this Agreement is not terminated in accordance with paragraphs (B) (ii) or (iii) and a casualty has damaged or destroyed any portion of the Shell and Core involving the Leased Space, the City will restore the Shell and Core to the condition existing on the Delivery Date, according to the original as-built plans and specifications. Upon completion of the City's Shell and Core restoration work, if any, Tenant must proceed to rebuild the Improvements as nearly as possible to the character of Improvements existing immediately before the occurrence.
- (v) Before beginning to replace, repair, rebuild or restore Improvements, Tenant must deliver to the Commissioner a report of an independent consultant acceptable to the Commissioner setting forth:
- a. an estimate of the total cost of the Work;

- b. the estimated date upon which the Work will be substantially completed; and
 - c. a statement to the effect that insurance proceeds are projected to be sufficient to pay the costs of the Work.
- (vi) The Commissioner will use commercially reasonable efforts to provide suitable temporary Relocation Space during the period of restoration subject to the reasonable approval of Tenant. Tenant must relocate the Concession operations to the temporary Relocation Space, and the costs associated with any such relocation, including moving expenses and the cost of reconstructing the Improvements in the temporary Relocation Space, must be borne by Tenant.

C. Tenant's Option. If the Leased Space or a portion of it is subject to Major Damage during the final three years of the Term, Tenant has the right, for a period of 60 days beginning on the date of the occurrence, to elect not to restore the affected Improvements as otherwise required under this Agreement by giving the Commissioner written notice of the election, in which event this Agreement will, as to the portion of the Leased Space, terminate upon the notice. If Tenant desires to rebuild the affected Leased Space, it may do so only upon the written approval of the Commissioner.

D. Insufficient Insurance. In no event will the City be obligated to repair, alter, replace, restore, or rebuild any Improvements, or any portion of them, nor to pay any of the costs or expenses for them. If Tenant's available insurance proceeds are not sufficient to cover the cost of the restoration as required under this Section, then Tenant is liable to complete the repairs at its own cost and expense, except as provided in (C) above.

5.7 City Resident Construction Worker Employment Requirement.

A. Use of Residents. In connection with and during the construction of any Work in excess of \$100,000 in Improvement Costs, Tenant and its Subcontractors must comply with the provisions of § 2-92-330 of the Municipal Code of the City of Chicago ("**Municipal Code**"), as amended from time to time concerning the minimum percentage of total construction worker hours performed by actual residents of the City. (At least 50% of the total construction worker hours worked by persons on the site of the Work must be performed by actual residents of the City. Tenant may request a reduction or waiver of this minimum percentage level of Chicagoans in accordance with standards and procedures developed by the Chief Procurement Officer of the City.) In addition to complying with this percentage, Tenant and its Subcontractors are required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. "**Actual residents of the City**" means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment. Tenant and each Subcontractor (for purposes of this subsection, "**Employer**") must provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed. Each Employer will maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

B. Certified Payroll Reports. Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) must be submitted by hard copy or electronically to the Commissioner and must identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

C. Inspection of Records. Each Employer must provide full access to its employment records to the Chief Procurement Officer, the Commissioner, and the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Each Employer must maintain all relevant personnel data and records for a period of at least 3 years after final acceptance of the Work. At the direction of the Commissioner, affidavits and other supporting documentation may be required of each Employer to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

D. Level of Effort. Efforts on the part of each Employer to provide utilization of actual Chicago residents that are not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer will not suffice to replace the actual, verified achievement of the requirements of this section concerning the worker hours performed by actual Chicago residents.

E. Shortfalls; Liquidated Damages. When the Work is completed, in the event that the City has determined that Tenant has failed to ensure the fulfillment of the requirement of this section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1% of the aggregate hard construction costs of the Improvement Costs (the product of .0005 x such aggregate hard construction costs) (as evidenced by approved contract value for the actual contracts) must be surrendered by Tenant to the City as liquidated damages, and not as a penalty, in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Tenant and/or the Subcontractors to prosecution. The City may draw against the security any amounts that appear to be due to the City under this provision pending the City's determination as to the full amount of liquidated damages due on completion of the Work.

F. Nothing set forth in this section acts as a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents, as applicable.

G. Inclusion in Subcontracts. Tenant must cause or require the provisions of this section to be included in all construction Subcontracts related to the Work.

5.8 Licensing of General Contractor. This Agreement is subject to Chapter 4-36 of the Municipal Code which requires all persons acting as a general contractor (as defined in Chapter 4-36) to be licensed as a general contractor by the City. Tenant's failure to ensure that any general contractor working on Improvements complies with Chapter 4-36 will be an Event of Default.

5.9 Prevailing Wages. In connection with the construction, repair, and maintenance of Improvements, Tenant must comply with the applicable provisions of 820 ILCS 130/0.01 et seq. regarding the payment of prevailing wages, and the most recent Illinois Department of Labor schedule of prevailing wages, and any successors to them. Tenant must insert appropriate provisions in all Subcontracts covering construction work under this Agreement to ensure compliance of all construction Subcontractors with the foregoing wage statutes and regulations.

5.10 Subcontractor Certifications. Tenant must require all Subcontractors performing Work in connection with this Agreement to be bound by the following provision and Tenant must cooperate fully with the City in exercising the rights and remedies described below or otherwise available at law or in equity:

“Subcontractor certifies and represents that Subcontractor and any entity or individual that owns or controls, or is controlled or owned by, or is under common control or ownership with Subcontractor is not currently indebted to the City and will not at any time during the Term be indebted to the City, for or on account of any delinquent taxes, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City at law or in equity, Subcontractor acknowledges that any breach or failure to conform to this certification may, at the option and direction of the City, result in the withholding of payments otherwise due to Subcontractor for services rendered in connection with the Agreement and, if the breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, may result in the offset of any such indebtedness against the payments otherwise due to Subcontractor and/or the termination of Subcontractor for default (in which case Subcontractor will be liable for all excess costs and other damages resulting from the termination.)”

5.11 MBE/WBE Compliance. Tenant shall make good faith efforts to meet the following goals with respect to participation of Minority Business Enterprises/Woman-Owned Business Enterprises (“MBE/WBE”) in the design (including professional services) and construction of Tenant's Improvements, respectively: (i) Design: 25% MBE and 5% WBE; and (ii) Construction: 26% MBE and 6% WBE. However, in consideration of the anticipated costs of the design and construction of the Concession, the City will accept a participation plan that meets a combined single *Design and Construction* goal of 26% MBE and 6% WBE participation, which participation may be achieved with any combination of construction and design contracts. The Special Conditions and related forms used by the City in its own procurements are attached

hereto as Exhibit 9 and should be used by Tenant's Contractors. Tenant must submit to the CMR completed Schedules C's and D's from its design and construction Contractors demonstrating their percentage MBE and WBE participation commitments, and their good faith efforts to achieve the foregoing goals if the commitments are less than those goals. Thereafter, Tenant must submit periodic reports to the CMR, in a form and frequency determined by the Commissioner, documenting its Contractors' compliance with their commitments.

ARTICLE 6 TERM OF AGREEMENT

6.1 Term. The term of this Agreement is the Term as defined in Article 3, unless this Agreement is terminated earlier in accordance with its terms.

6.2 Holding Over.

A. With consent. Any holding over after expiration of the Term with the written consent of the Commissioner constitutes a month-to-month lease on the same terms and conditions as this Agreement, including payment of the Rent attributable to the portion or portions of the Leased Space that Tenant continues to occupy. Thereafter, Tenant must surrender and vacate the Leased Space no later than the 30th day following notice from the Commissioner that the month-to-month holdover is terminated; Tenant's failure to do so shall be deemed a holding over without consent under (B).

B. Without consent. If Tenant continues to occupy all or a portion of the Leased Space without the written consent of the Commissioner after expiration or termination of this Agreement in its entirety, or as to any such portion of the Leased Space where the Lease under this Agreement has expired or terminated, the holding over constitutes a month-to-month lease on the same terms and conditions as this Agreement, except that Tenant must pay Rent for the entire holdover period for the Leased Space where the Lease has expired or been terminated at double the annual rate of the Rent payable for that Leased Space during the immediately preceding Lease Year. No occupancy of Leased Space by Tenant after the expiration or other termination of the Lease under this Agreement with respect to such Leased Space extends the Term of this Agreement or the Lease, except as a holdover tenancy. Also, in the event of such holdover tenancy, Tenant shall indemnify the City against all damages arising out of the Tenant's retention of occupancy, including but not limited to any costs incurred by the City to evict Tenant, and all insurance policies and letters of credit required to be obtained and maintained by Tenant as set forth in this Agreement shall continue in effect.

6.3 Return of the Leased Space and Removal of Improvements.

A. At the termination or expiration for any reason of this Agreement or the Lease as to any portion of the Leased Space, Tenant must promptly, peaceably, quietly and in good order quit, deliver up and return the Leased Space (or that portion as to which the Lease has terminated, in the case of a partial termination) in good condition and repair, ordinary wear and tear and damage by fire or other casualty excepted.

B. Tenant must remove all Tenant personal property and trade fixtures from the Leased Space or the portions of the Leased Space before the date of termination or expiration. Any personal property or trade fixtures remaining in the Leased Space 48 hours after the date of termination or expiration shall be deemed abandoned, and the City may dispose of such personal property or trade fixtures in the Commissioner's sole discretion, and Tenant shall have no claim to the proceeds, if any, from such disposition.

C. Further, at the Commissioner's request (which request will be given in writing at least 30 days before the termination or expiration of the Term), Tenant must remove all Improvements installed by or for Tenant, or Tenant's agents, employees or Subcontractors, except for Improvements that the Commissioner may elect to require Tenant to leave in place. As provided in Section 5.2, all Improvements are City property and, if not requested to be removed by the Commissioner, may be used by the City or a replacement tenant; provided, however, that all of Tenant's trade dress, service marks, trademarks and trade names shall be removed, obliterated or painted out in a commercially reasonable manner at Tenant's cost. If directed by the Commissioner to remove Improvements, Tenant must also cap off any plumbing or drains and remove, obliterate or paint out any and all of its signs, advertising and displays as the Commissioner or his designated representative may direct, and repair any holes or other damage left or caused by Tenant.

D. Tenant must repair any damage to the Leased Space caused by Tenant's removal of Tenant personal property, trade fixtures and Improvements. All the removal and repair required of Tenant under this section are at Tenant's sole cost and expense.

E. If Tenant fails to perform any of its foregoing obligations, then the Commissioner may cause the obligations to be performed by Department personnel or City contractors, and Tenant must pay the cost of the performance, together with interest thereon at the Default Rate from and after the date the costs were incurred until receipt of full payment therefor.

6.4 Termination Due to Change in Airport Operations. This Agreement, or the Lease of any affected Leased Space, is subject to termination by either party on 60 days' written notice in the event of any action by the FAA, the TSA or any other governmental entity or the issuance of an order by any court of competent jurisdiction which prevents or restrains the use of the Airport, the Terminals or a portion thereof that renders performance by either party in the Leased Space impossible, and which governmental action or court order remains in force and is not stayed by way of appeal or otherwise, for a period of at least 90 days, so long as the action or order is not the result of any Event of Default of Tenant.

6.5 Eminent Domain.

A. If the entirety of the Terminals or a substantial part of them, including the entire Leased Space, is taken by eminent domain by an authority other than the City, the Term of this Agreement will end upon the earlier of the date when possession is required by the condemning authority or the effective date of the taking.

B. If any eminent domain proceeding is instituted by an authority other than the City in which it is sought to take any part of the Airport or the Terminals, the taking of which would, in the good faith judgment of the Commissioner or Tenant, render it impractical or undesirable to conduct Concession operations on the remaining portion of the Leased Space for the intended purposes, the Commissioner and Tenant will each have the right to terminate this Agreement upon not less than 90 days' written notice to the other.

C. In the event of termination of this Agreement under either (A) or (B), all Rent accrued for the Leased Space in question prior to the termination date is payable to the City. However, the City shall have no obligation to pay Tenant any unamortized Improvement Costs for such Leased Space, and Tenant shall look solely to the condemning authority for any award of damages.

6.6 Early Termination. Notwithstanding anything to the contrary set forth in this Lease, the Commissioner may terminate this Agreement with respect to any or all of the Leased Space without cause for any reason, in the Commissioner's sole discretion, upon at least ninety (90) days prior written notice to Tenant. Upon the effective date set forth in such notice, Tenant shall surrender and vacate that portion of Leased Space as to which this Agreement is being terminated as if the Agreement had expired on that date with respect to such Leased Space. In the event of such early termination, the City shall pay to Tenant a "Leased Space Termination Payment", which shall be defined herein to include the following: (i) a sum equal to the unamortized balance of Tenant's Improvement Costs with respect to the Leased Space being terminated, depreciated using the straight-line method over 60 months commencing on the Date of Beneficial Occupancy of the Leased Space being terminated; and (ii) a sum equal to Gross Revenues earned by Tenant from the Leased Space being terminated during the four (4)-month period immediately preceding the termination date, less the Rent payable to the City for that period. Upon Tenant's receipt of the Leased Space Termination Payment and vacation of the Leased Space, the City and Tenant shall thereafter be released from any and all obligations under this Agreement with respect to the Leased Space except for such obligations which are expressly stated to survive the expiration or earlier termination of this Agreement.

ARTICLE 7 RENT AND FEES

7.1 Rent Payable.

A. In consideration of Tenant's Lease of the Leased Space and the License to operate its Concession in the Leased Space and the associated rights and privileges granted in this Agreement, Tenant must pay the following, without notice or demand, as rent and fees the License Fee and Additional Rent (collectively, "**Rent**") as follows:

- (i) License Fee. Beginning as of the first Date of Beneficial Occupancy of a Retail Space, an amount equal to the greater of a. or b.:

- a. Percentage Fee. The “**Percentage Fee**” is an amount equal to the percentage rental rates set forth in Exhibit 2 as applied to Gross Revenues.
- b. Minimum Annual Guarantee. The “**Minimum Annual Guarantee**” or “**MAG**” for the first and second Lease Years is the MAG dollar amount set forth in Exhibit 2, pro-rated for the first Lease Year if less than 12 months. Beginning with the third Lease Year, and for each Lease Year thereafter, the MAG will equal the greater of: 1) eighty-five percent (85%) of the total Percentage Fee payable for the preceding Lease Year and 2) the MAG dollar amount set forth in Exhibit 2 for the first and second Lease Year (without consideration of any pro-rating). The MAG applicable to the last Lease Year will be pro-rated if less than 12 months.

In the event the Leased Space is comprised of two or more distinct Retail Spaces that are opening for Concession operations on different dates, then Exhibit 2 must apportion the MAG payable for the entire Agreement among the various Retail Spaces. The MAG for each Retail Space shall become payable upon its DBO, prorated for any partial year. Upon the DBO of the final Retail Space, the entire MAG shall be payable, prorated for any partial year.

- (ii) Pre-Construction License Fee. In the event Tenant conducts, with the Commissioner’s approval, concession operations in any portion of the Retail Space prior to the construction of the Improvements, then the “**Pre-Construction License Fee**” is an amount equal to 20% of Gross Revenues during each calendar month (or portion thereof) from the Delivery Date through the DBO of the Retail Space.
- (iii) Additional Rent. The Marketing Fee and Distribution Fee, if any, and any other charges payable to the City under this Agreement that are identified as Additional Rent.

Failure by Tenant to pay Rent, or any portion thereof, when due is an Event of Default.

B. Impositions. Tenant must timely pay, as and when due, any and all taxes, assessments, fees, and charges levied, assessed or imposed by a governmental unit upon this Agreement, the Leased Space, Tenant’s leasehold, Tenant's Concession business or upon Tenant's personal property, including but not limited to all permit fees and charges of a similar nature for Tenant’s conduct of any business or undertaking in the Leased Space (collectively, “**Impositions**”). Tenant must provide the Concession Management Representative with copies of any business licenses or permits required for the Tenant to operate the Concession. Tenant must provide Commissioner a copy of all notices relating to leasehold taxes on the Leased Space within 30 days after receipt and must provide the Commissioner with a receipt indicating payment of leasehold taxes on the Leased Space when due. Nothing in this Agreement precludes Tenant from contesting the amount of an Imposition, including those taxes or charges enacted or promulgated by City, but unless otherwise allowed by the entity imposing the tax or charge,

Tenant must pay the tax or charge pending the judicial or administrative decision on the Tenant's contest. Failure of Tenant to pay any Imposition when due, except to the extent that Tenant is allowed to withhold payment while contesting the amount of the Imposition, will constitute an Event of Default. As provided in Section 4.1, Tenant acknowledges that the leasehold created under this Agreement is taxable, and while Tenant may contest the amount of the leasehold tax, Tenant shall not contest its applicability.

C. Rent under this Agreement is not considered to be a tax and is independent of any Imposition levied by the City on the Tenant's business. Further, the payment of the Rent under this Agreement is independent of each and every other covenant and agreement contained in this Agreement, and Tenant must pay all Rent without any set off, abatement, counterclaim or deduction whatsoever except as otherwise expressly provided in this Agreement. If Tenant is directed to move its Concession operations to a Relocation Space, and the City determines that the affected Retail Space is to be closed before completion of the Improvements in the Relocation Space, then adjustments will be made to the Minimum Annual Guarantee until Tenant begins Concession operations in the Relocation Space. Such adjustments will be in the same proportion as the Gross Revenues attributable to the Retail Space to be closed bears to the Gross Revenues for the entire Retail Space to which the Minimum Annual Guarantee applies. If actual Gross Revenue amounts are not available, the adjustment will be made based on the MAG per location estimates in Exhibit 2.

7.2 Time of Payments.

A. On or before the first day of each calendar month, prorated for any partial calendar month, beginning on the Delivery Date of the first Leased Space and continuing throughout the Term, Tenant must pay to the City:

- (i) That portion of the Minimum Annual Guarantee as may be due pursuant to Section 7.1(A)(i)(b);

B. On or before the 15th day of each month following the month in which the Delivery Date occurs, Tenant must pay the City:

- (i) the amount, if any, by which the actual Percentage Fee for the preceding month pursuant to Section 7.1(A)(i)(a) exceeds the Minimum Annual Guarantee payment that was made on the first day of the month;
- (ii) the Marketing Fee, Distribution Fee and additional rent, if any, based on the Gross Revenues of the preceding month or pre-determined amount; and
- (iv) any other charges payable to the City.

C. If the annual statement of Gross Revenues indicates that the Percentage Fee attributable to the preceding Lease Year exceeds the amount of all payments made by Tenant to the City for the Lease Year in question, then Tenant must pay the amount of the underpaid Percentage Fee to the City upon the submission of the annual statement of Gross Revenues. If

the annual statement of Gross Revenues indicates that the Percentage Fee attributable to the preceding Lease Year is less than the amount of all License Fee payments made by Tenant to the City for the period in question, but the Percentage Fee still exceeds the MAG for that Lease Year, then Tenant will receive a credit against the next License Fee payment due under this Agreement for the amount by which the License Fee actually paid by Tenant exceeded the Percentage Fee attributable to the period.

7.3 Material Underpayment or Late Payment. Without waiving any other remedies available to the City, if:

- (i) Tenant underpaid Rent due in any calendar year by more than 5%, or
- (ii) Tenant failed to make any Rent payments within 5 days of the date due, then Tenant must pay, in addition to the amount due the City as Rent, interest on the amount of underpayment or late payment at the Default Rate. Interest on the amount underpaid accrues from the date on which the original payment was due until paid in full and shall be considered Additional Rent. The provision for the payment of interest does not constitute an authorization by the City of underpayment or late payment.

7.4 Reports.

A. Monthly. Tenant must furnish to the Commissioner on or before the 15th day of each calendar month falling wholly or in part within the Term of this Agreement a complete statement, certified by Tenant, of the amount of Gross Revenues derived from each Retail Space by Tenant during the preceding month.

B. Daily and/or Weekly. Tenant will furnish to the Commissioner daily and/or weekly sales reports, if requested, breaking down all sales and Gross Revenues by selling category and by each separate Retail Space. If so requested, Tenant will provide Commissioner with statistical information regarding the number and type of transactions occurring at each Retail Space, in the form specified by the Commissioner.

C. Annually or more often.

- (i) Tenant also must furnish to Commissioner no later than March 1 of each Lease Year falling wholly or in part within the Term of this Agreement, and within 120 days after the expiration or termination of this Agreement, a complete statement of revenues certified by an independent certified public accountant engaged by Tenant, showing in all reasonable detail the amount of Gross Revenues made by Tenant in, on or from the Leased Space during the preceding Lease Year and copies of all returns and other information filed with respect to Illinois sales and use taxes as well as such other reasonable financial and statistical reports as the Commissioner may, from time to time, require by written notice to Tenant.

- (ii) The annual statement must include a breakdown of Gross Revenues on a month by month basis and an opinion of an independent certified public accountant that must include the following language, or language of similar purport:

"We, a firm of independent certified public accountants, have examined the accompanying statement reported to the City of Chicago by [_____] for the year ended _____ relating to its operations at the Terminals pursuant to an Agreement dated _____, _____. Our examination was made in accordance with generally accepted accounting principles and, accordingly, includes such tests of the accounting records and such other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement showing gross revenues of \$_____ presents accurately the amount of Gross Revenues, as defined in the Agreement, for the year ended _____."

D. All such reports and statements must be prepared on a form approved by the Commissioner and must, among other things, provide a breakdown of the Gross Revenues by category of Products and an analysis of all Percentage Fees due and payable to the City with respect to the period in question. If Tenant fails to timely furnish to the Commissioner any monthly or annual statement required under this Agreement or if the independent certified public accountant's opinion is qualified or conditioned in any manner, the Commissioner has the right (but is not obligated) without notice, to conduct an audit of Tenant's books and records and to prepare the statements at Tenant's expense. Tenant must also provide the Commissioner with such other financial or statistical reports and information concerning the Leased Space or any part thereof, in the form as may be reasonably required from time to time by the Commissioner.

7.5 Books, Records and Audits.

A. Except as provided below, Tenant must prepare and maintain at its office full, complete and proper books, records and accounts in accordance with generally accepted accounting procedures relating to and setting forth the Gross Revenues, including but not limited to Gross Revenues generated by sales of Products for cash, debit, check, gift certificate, credit, or any other form of compensation, and must require and cause its operations personnel to prepare and keep books, source documents, records and accounts sufficient to substantiate those kept by Tenant. The books and source documents to be kept by Tenant must include true copies of all federal, state and local tax returns filed with respect to Tenant's Concession operation and reports, records of inventories and receipts of Products, daily receipts from all sales and other pertinent original sales records and records of any other transactions conducted in or from the Leased Space by Tenant and any other persons conducting business in or from the Leased Space.

Pertinent original sales records must include the following documents or their auditable electronic equivalents:

- (i) cash register tapes, including tapes from temporary registers,
- (ii) serially pre-numbered sales slips,
- (iii) the original records of all mail and telephone orders at and to the Leased Space,
- (iv) original records indicating that Products returned by customers was purchased at the Leased Space by the customers,
- (v) memorandum receipts or other records of Products taken out on approval,
- (vi) detailed original records of any exclusions or deductions from Gross Revenues,
- (vii) sales tax records, and
- (viii) such other sales records, if any, that would normally be examined by an independent accountant under accepted auditing standards in performing an audit of Tenant's Gross Revenues.

B. Tenant must record at the time of each sale or other transaction, in the presence of the customer, all receipts from the sale or other transaction, whether for cash, credit or otherwise, in a cash register or cash registers having a cumulative total that must be sealed in a manner approved by the Commissioner and that must possess such other features as required by the Commissioner. The books, records and accounts, including any sales tax reports that Tenant may be required to furnish to any government or governmental agency, must at all reasonable times be open to the inspection (including the making of copies or extracts) of the Commissioner, the Commissioner's auditor or other authorized representative or agent at the Leased Space or Tenant's other offices in Chicago for a period of at least 3 years after the expiration of each calendar year falling wholly or in part within the Term.

C. The acceptance by the Commissioner of payments of any Percentage Fee is without prejudice to the Commissioner's right to conduct an examination of the Tenant's books and records relating to Gross Revenues and of inventories of Products at the Retail Space, in order to verify the amount of Gross Revenues made in and from the Retail Space.

D. After providing Tenant at least 3 days prior oral or written notice, the Commissioner may inspect the books and records of Tenant. Further, at its option, the Commissioner may at any reasonable time, upon no less than 10 days prior written notice to Tenant cause a complete audit to be made of Tenant's entire records relating to the Retail Space for the period covered by any statement issued by Tenant as above set forth. If the audit discloses that Tenant's statement of Gross Revenues is understated to the extent of:

- (i) 3% or more, Tenant must promptly pay the City the cost of the audit in addition to the deficiency (and any interest on the deficiency at the Default Rate), which deficiency is payable in any event; and if

- (ii) 5% or more, an Event of Default is considered to have occurred, and in addition to all other remedies available under this Agreement, at law, or in equity, the Commissioner has the right to terminate this Agreement immediately upon giving notice to Tenant, without any opportunity for Tenant to cure.

In addition to the foregoing, and in addition to all other remedies available to the City, if Tenant or the City's auditor schedules a date for an audit of Tenant's records and Tenant fails to be available or otherwise fails to comply with the reasonable requirements for the audit, Tenant must pay all reasonable costs and expenses associated with the scheduled audit.

7.6 Revenue Control. Upon the request of the Commissioner Tenant must make available monthly sales data for each Retail Space ("**Point of Sale Data**"), reflecting the amount of each sales transaction, items sold per transaction, time and date of the transaction, and specifying the sales category applicable to each item sold. At such time, if any, as computerized Point of Sale Data systems ("**POS Systems**") have been developed to a point where the Commissioner deems it necessary or desirable to install such a POS System, then Tenant must upon request and at its own expense, install such a POS System in the Retail Space or, if it already uses such a system, must use reasonable efforts to promptly cause the system to conform to the City's POS System. Tenant shall be given a reasonable amount of time, not to exceed one year, to accomplish the foregoing. Any such system later installed by Tenant must be compatible with any POS System installed or reasonably contemplated to be installed by the Commissioner in the Terminals or elsewhere in the Airport generally, and Tenant must permit the Commissioner to connect the Commissioner's POS System to Tenant's POS System using fiber optic cable or otherwise.

7.7 Lien. In addition to any liens as may arise under Illinois law, the City has a contractual lien under this Agreement on all property, including Tenant personal property located on the Leased Space, but excluding any Products that is subject to floorplan financing, as security for non-payment of any Rent due.

ARTICLE 8 INSURANCE, INDEMNITY AND SECURITY

8.1 Insurance. Tenant must, at its sole expense, procure and maintain at all times during the Term of this Agreement, and during any time period following expiration or termination of this Agreement during which Tenant is holding over or Tenant is required to return to the Leased Space for any reason whatsoever, the types of insurance specified in Exhibit 7 covering all operations under this Agreement, with insurance companies authorized to do business in the State of Illinois.

8.2 Indemnification.

A. Except where this indemnity clause would be found to be inoperative or unenforceable under the Construction Contract Indemnification for Negligence Act, 740 ILCS 35/0.01 et seq. ("**Anti-Indemnity Act**"), Tenant must defend, indemnify, keep and hold

harmless the City, its officers, representatives, elected and appointed officials, agents and employees, from and against any and all Losses.

B. **“Losses”** means, individually and collectively, liabilities of every kind, including losses, damages, and reasonable costs, payments and expenses (such as, but not limited to, court costs and reasonable attorneys' fees and disbursements), claims, demands, actions, suits, proceedings, judgments or settlements, any or all of which in any way arise out of or relate to the acts or omissions of Tenant, its employees, agents, subtenants, and Subcontractors.

C. At the City Corporation Counsel's option, Tenant must defend all suits brought upon all such Losses and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving Tenant of any of its obligations under this Agreement. Tenant must not make any settlement without the prior written consent to it by the City Corporation Counsel if the settlement requires any action on the part of the City or in any way involving the Airport.

D. To the extent permissible by law, Tenant waives any limits to the amount of its obligations to indemnify, defend or contribute to any sums due under any Losses, including any limits applicable to a claim by any employee of Tenant that may be subject to the Workers' Compensation Act, 820 ILCS 305/1 *et seq* or any other related law or judicial decision (such as, *Kotecki v. Cyclops Welding Corporation*, 146 Ill. 2d 155 (1991)). The waiver, however, does not require Tenant to indemnify the City for the City's own negligence to the extent doing so would violate the Anti-Indemnity Act. The City, however, does not waive any limitations it may have on its liability under the Worker's Compensation Act or under the Illinois Pension Code.

E. The indemnities contained in this section survive expiration or termination of this Agreement, for matters occurring or arising during the Term of this Agreement or as the result of or during the holding over of Tenant beyond the Term. Tenant acknowledges that the requirements set forth in this section to indemnify, keep and save harmless and defend the City are apart from and not limited by the Tenant's duties under this Agreement, including the insurance and Security requirements.

8.3 Security

A. Form of Security.

(i) Tenant must deliver to the City no later than the earlier to occur of: a) 30 days after the Effective Date or b) the Delivery Date for the first Leased Space, an irrevocable, unconditional sight draft Letter of Credit in favor of the City. The face amount of the Letter of Credit and any replacements or renewals of it must be maintained by Tenant, through and including the date that is 180 days after the expiration of the Term or termination of this Agreement, as follows: the face amount of the Letter of Credit must at all times equal a) during the first and second Lease Years, 25% of the MAG for said Lease Years (without consideration of any pro-ratoning on account of either a Lease Year of less than 12 months or partial occupancy of the Leased Space) and b) this amount will be maintained for the Term and will not be required to be adjusted, unless the Commissioner deems it necessary and

provides Tenant the requirement to increase in writing. The Letter of Credit must be in the form set forth in Exhibit 7 or as otherwise approved by the Corporation Counsel.

- (ii) In lieu of the Letter of Credit, Tenant may provide cash or a cashier's check in the same amount for immediate deposit in the City's accounts. The Letter of Credit, cash or cashier's check, as applicable, is referred to in this Agreement as the "**Security**." The original Letter of Credit, and all replacements of it, must be issued with an expiry date of at least one year after their respective dates of issuance. The Security secures the faithful performance by Tenant of all of Tenant's obligations under this Agreement. The Commissioner is entitled to draw on any such Letter of Credit unless proof of renewal of the Letter of Credit or a replacement Letter of Credit in form and substance satisfactory to the Comptroller has been furnished to the Commissioner at least 30 days before its expiration date. The City will hold the proceeds as a cash Security to secure the full and faithful performance of Tenant's obligations under this Agreement. The Commissioner is not obligated to pay or credit Tenant with interest on any Security.
- (iii) The Commissioner also is entitled to draw on the Letter of Credit in whole or in part upon the occurrence of an Event of Default, in which event the Commissioner is entitled to apply or retain all or any part of the proceeds of it or any cash or other Security deposited by Tenant and held by the City for the payment of any obligation of Tenant arising before or after the Event of Default.
- (iv) The Letter of Credit must provide that the Commissioner may draw upon the Letter of Credit in whole or in part upon the delivery by the Commissioner to the issuer of the Letter of Credit of a demand for payment, purportedly signed by the Commissioner, together with a written statement that the Commissioner is entitled to draw upon the Letter of Credit under the terms of this Agreement. If amounts are drawn upon the Letter of Credit or amounts of a cash Security are applied by the Commissioner in accordance with the terms of this Agreement, Tenant must reinstate the Letter of Credit or cash Security to its full amount required in this Agreement within 5 days following notification by the Commissioner of the City's draw upon the Letter of Credit or use of the cash Security. The rights reserved to the Commissioner or the City under the Letter of Credit or any cash Security are in addition to any rights they may have under this Agreement or under law.

B. Qualified Issuers. The Letter of Credit called for in this Agreement must be issued by companies or financial institutions having a rating of "A" or better as determined by Standard and Poor's or by Moody's Investors Service, Inc., or a net worth of at least \$500,000,000, and must have an office in Chicago where the Commissioner may draw on the Letter of Credit. The Commissioner also reserves the right to order Tenant to immediately close some or all of the Leased Space until the Letter of Credit is in place and effective.

C. Right to Require Replacement of Letter of Credit. If the financial condition of any Letter of Credit issuer issuing the Letter of Credit materially and adversely changes, the Commissioner may, at any time, require that the Letter of Credit be replaced with a Letter of Credit from another institution and in accordance with the requirements set forth in this section.

D. No Excuse from Performance. None of the provisions contained in this Agreement nor in the Letter of Credit required under this Agreement excuse Tenant from faithfully performing in accordance with the terms and conditions of this Agreement or limit the liability of Tenant under this Agreement for any and all damages in excess of the amounts of the Letter of Credit.

E. Non-Waiver. Notwithstanding anything to the contrary contained in this Agreement, the failure of the Commissioner to draw upon the Letter of Credit required under this Agreement or to require Tenant to replace the Letter of Credit at any time or times when the Commissioner has the right to do so under this Agreement does not waive or modify the Commissioner's rights to draw upon the Letter of Credit and to require Tenant to maintain or, as the case may be, replace the Letter of Credit, all as provided in this Section.

ARTICLE 9 DEFAULT, REMEDIES AND TERMINATION

9.1 Events of Default. The following (A) through (N) constitute Events of Default by Tenant under this Agreement. The Commissioner will notify Tenant in writing of any event that the Commissioner believes to be an Event of Default. Tenant will be given an opportunity to cure the Event of Default within a reasonable period of time, as determined by the Commissioner, but not to exceed 30 days after written notice of the Event of Default; provided, that (i) if a provision of this Agreement provides for a different cure period for a particular Event of Default, that different cure period will apply; (ii) if a provision of this Agreement does not allow a right to cure a particular Event of Default, there will be no right to cure; and (iii) if neither (i) or (ii) apply and if the promise, covenant, term, condition or other non-monetary obligation or duty cannot be cured within the time period granted by the Commissioner, but Tenant promptly begins and diligently and continuously proceeds to cure the failure within the time period granted and after that continues to diligently and continuously proceed to cure the failure, and the failure is reasonably susceptible of cure within 45 days from delivery of the notice, Tenant will have the additional time, not in any event to exceed 45 days, to cure the failure.

A. Any material misrepresentation made by Tenant to the City in the inducement to City to enter this Agreement or in the performance of this Agreement. There is no right to cure this Event of Default.

B. Tenant's failure to make any payment in full when due under this Agreement and failure to cure the default within five days after the City gives written notice of the non-payment to Tenant. In addition, Tenant's failure to make any such payment within five days after the written notice more than three times in any Lease Year constitutes an Event of Default without

the necessity of the City giving notice of the fourth failure to Tenant or allowing Tenant any opportunity to cure it.

C. Tenant's failure to promptly and fully keep, fulfill, comply with, observe, or perform any promise, covenant, term, condition or other non-monetary obligation or duty of Tenant contained in this Agreement.

D. Tenant's failure to promptly and fully perform any obligation or duty, or to comply with any restriction of Tenant contained in this Agreement concerning Transfer or Change in Ownership, whether directly or indirectly, of Tenant's rights or interests in this Agreement or of the ownership of Tenant.

E. Tenant's failure to provide or maintain the insurance coverage required under this Agreement (including any material non-compliance with the requirements) and the failure to cure the Event of Default within two days following oral or written notice from the Commissioner; or, if the noncompliance is non-material, the failure to cure the Event of Default within 20 days after the Commissioner gives written notice. The Commissioner, in her sole discretion, will determine if noncompliance is material.

F. Tenant's failure to conduct Concession operations in any Retail Space at all times Tenant is required to do so under this Agreement.

G. Tenant's failure to comply with the Value Pricing policy.

H. Tenant's failure to begin or to complete its Improvements on a timely basis or to timely open for business in the Leased Space or any portion of it.

I. An Event of Default by Tenant or any Affiliate under any other agreement it may presently have or may enter into with the City during the Term of this Agreement and failure to cure the default within any applicable cure period.

J. Tenant or Guarantor, if any, does any of the following and the action affects Tenant's ability to carry out the terms of this Agreement:

- (i) becomes insolvent, as the term is defined under Section 101 of the Bankruptcy Code as amended from time to time; or
- (ii) fails to pay its debts generally as they mature; or
- (iii) seeks the benefit of any present or future federal, state or foreign insolvency statute; or
- (iv) makes a general assignment for the benefit of creditors, or
- (v) files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or of any State or any foreign jurisdiction; or
- (vi) consents to the appointment of a receiver, trustee, custodian, liquidator or other similar official, of all or substantially all of its property.

K. An order for relief is entered by or against Tenant or Guarantor (if any) under any chapter of the Bankruptcy Code or similar law in any foreign jurisdiction and is not stayed or vacated within 60 days following its issuance.

L. Tenant is dissolved.

M. A violation of law that results in a guilty plea, a plea of nolo contendere, guilty finding, or conviction of a criminal offense, by Tenant, or any of its directors, officers, partners or key management employees directly or indirectly relating to this Agreement, and that may threaten, in the sole judgment of Commissioner, Tenant's performance of this Agreement in accordance with its terms.

N. Any failure to perform, act, event or omission that is specifically identified as an Event of Default elsewhere in this Agreement.

9.2 Remedies.

If an Event of Default occurs and is not cured by Tenant in the time allowed, in addition to any other remedies provided for in this Agreement, including the remedy of Self-help as provided in Section 9.3, the City through the Commissioner or other appropriate City official may exercise any or all of the following remedies:

A. Terminate this Agreement with respect to all or a portion of the Leased Space and exclude Tenant from that part of the Leased Space affected by the termination. If the Commissioner elects to terminate this Agreement, the Commissioner may, at the Commissioner's sole option, serve notice upon Tenant that this Agreement ceases and expires and becomes absolutely void with respect to the Leased Space or that part identified in the notice on the date specified in the notice, to be no less than five days after the date of the notice, without any right on the part of Tenant after that to save the forfeiture by payment of any sum due or by the performance of any term, provision, covenant, agreement or condition broken. At the expiration of the time limit in the notice, this Agreement and the Term of this Agreement, as well as the right, title and interest of Tenant under this Agreement, wholly ceases and expires and becomes void with respect to the Leased Space identified in such notice in the same manner and with the same force and effect (except as to Tenant's liability) as if the date fixed in the notice were the date in this Agreement stated for expiration of the Term with respect to the Leased Space identified in such notice.

B. Recover all Rent, including Additional Rent and any other amounts due that have accrued and are then due and payable and also all damages available at law or under this Agreement. If the Agreement is terminated, whether in its entirety or with respect to a part of the Leased Space, the damages will include damages for the balance of the scheduled Term, based upon any and all amounts that Tenant would have been obligated to pay for the balance of the Term with respect to the Leased Space, or if this Agreement is terminated with respect to a portion of the Leased Space, that portion of the Leased Space affected by the termination, calculated as provided in this Agreement or, if not fixed, as reasonably estimated and prorated among the various portions of the Leased Space. In determining the amount of damages for the

period after termination, the Commissioner may make the determination based upon the sum of any future payments that would have been due to the City, for the full Lease Year immediately before the Event of Default. All amounts that would have been due and payable after termination for the balance of the Term with respect to all or a portion of the Leased Space must be discounted to present value at the Default Rate existing as of the date of termination. The Commissioner may declare all amounts to be immediately due and payable.

C. At any time after the occurrence of any uncured Event of Default, whether or not the Lease under this Agreement has been terminated, reenter and repossess the Leased Space and/or any part of it with or without process of law, so long as no undue force is used, and the City has the option, but not the obligation, to re-lease all or any part of the Leased Space. The City, however, is not required to accept any Tenant proposed by Tenant or to observe any instruction given the City about such a re-lease. The failure of the City to re-lease the Leased Space or any part or parts of it does not relieve or affect Tenant's liability under this Agreement nor is the City liable for failure to re-lease. Reentry or taking possession of the Leased Space does not constitute an election on the City's part to terminate this Agreement unless a written notice of the election by the Commissioner is given to Tenant. Even if the City re-leases without termination, the Commissioner may at any time thereafter elect to terminate this Agreement for any previous uncured Event of Default. For the purpose of re-leasing, the Commissioner may decorate or make repairs, changes, alterations or additions in or to the Leased Space to the extent deemed by the Commissioner to be desirable or convenient, and the cost of the decoration, repairs, changes, alterations or additions will be charged to and payable by Tenant as Additional Rent under this Agreement. Any sums collected by the City from any new Tenant obtained on account of Tenant will be credited against the balance of the Rent due under this Agreement. Tenant must pay the City monthly, on the days when payments of Rent would have been payable under this Agreement, the amount due under this Agreement less the amount obtained by the City from the new Tenant, if any.

D. Enter upon the Leased Space, distraint upon and remove from it all inventory, equipment, machinery, trade fixtures and personal property of any kind or nature, whether owned by Tenant or by others, and to proceed without judicial decree, writ of execution or assistance or involvement of constables or the City's and Tenant's officers, to conduct a private sale, by auction or sealed bid without restriction. Tenant waives the benefit of all laws, whether now in force or later enacted, exempting any of Tenant's property on the Leased Space or elsewhere from distraint, levy or sale in any legal proceedings taken by the City to enforce any rights under this Agreement.

E. Seek and obtain specific performance, a temporary restraining order or an injunction, or any other appropriate equitable remedy.

F. Seek and obtain money damages; including special, exemplary, incidental and consequential damages.

G. Deem Tenant and Affiliates non-responsible in future contracts or concessions to be awarded by the City.

H. Declare Tenant and Affiliates in default under any other existing contracts or agreements they might have with the City and to exercise any remedies available under those other contracts or agreements.

I. Accept the assignment of any and all Subcontracts between Tenant and the design and construction Subcontractors.

J. require Tenant to terminate a Subcontractor that is causing breaches of this Agreement.

9.3 Commissioner's Right to Perform Tenant's Obligations.

A. Upon the occurrence of an Event of Default that Tenant has failed to cure in the time provided, the Commissioner may, but is not obligated to, make any payment or perform any act required to be performed by Tenant under this Agreement in any manner deemed expedient by the Commissioner for the purpose of correcting the condition that gave rise to the Event of Default (“**Self-help**”). The Commissioner’s inaction never constitutes a waiver of any right accruing to the City under this Agreement nor do the provisions of this section or any exercise by the Commissioner of Self-help under this Agreement cure any Event of Default. Any exercise of Self-help does not limit the right of any other City department or agency to enforce applicable City ordinances or regulations.

- B. The Commissioner, in making any payment that Tenant has failed to pay:
- (i) relating to taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim;
 - (ii) for the discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien that may be asserted; and
 - (iii) in connection with the completion of construction, furnishing or equipping of the Leased Space or the licensing, operation or management of the Leased Space or the payment of any of its operating costs, may do so in such amounts and to such persons as the Commissioner may deem appropriate.

Nothing contained in this Agreement requires the Commissioner to advance monies for any purpose.

C. If Tenant fails to perform its obligations under this Agreement to maintain and operate the Leased Space in accordance with specified standards within 3 days following written notice from the Commissioner, or in the event of a serious health or safety concern or in an emergency (in which case no notice is required) the Commissioner may, but is not obligated to, direct the Department to perform or cause the performance of any such obligation in any manner deemed expedient by the Commissioner for the purpose of correcting the condition in question.

D. All sums paid by the City under the provisions of this Section and all necessary and incidental costs, expenses and reasonable attorneys' fees in connection with the performance of any such act by the Commissioner, together with interest thereon at the Default Rate, from the

date of the City's payment until the date paid by Tenant, are deemed Additional Rent under this Agreement and are payable to the City within 10 days after demand therefor, or at the option of the Commissioner, may be added to any Rent then due or later becoming due under this Agreement, and Tenant covenants to pay any such sum or sums with interest at the Default Rate.

9.4 Effect of Default and Remedies

A. Tenant, for itself and on behalf of any and all persons claiming through or under it (including creditors of all kinds), waives and surrenders all right and privilege that they or any of them might have under or by reason of any present or future law, to redeem the Leased Space or to have a continuance of this Agreement for the Term, as it may have been extended, after having been dispossessed or ejected by process of law or under the terms of this Agreement or after the termination of this Agreement as provided in this Agreement.

B. The City's waiver of any one right or remedy provided in this Agreement does not constitute a waiver of any other right or remedy then or later available to the City under this Agreement or otherwise. A failure by the City or the Commissioner to take any action with respect to any Event of Default or violation of any of the terms, covenants or conditions of this Agreement by Tenant will not in any respect limit, prejudice, diminish or constitute a waiver of any rights of the City to act with respect to any prior, contemporaneous or later violation or Event of Default or with respect to any continuation or repetition of the original violation or Event of Default. The acceptance by the City of payment for any period or periods after an Event of Default or violation of any of the terms, conditions and covenants of this Agreement does not constitute a waiver or diminution of, nor create any limitation upon any right of the City under this Agreement to terminate this Agreement for subsequent violation or Event of Default, or for continuation or repetition of the original violation or Event of Default. Tenant has no claim of any kind against the City by reason of the City's exercise of any of its rights as set forth in this Agreement or by reason of any act incidental or related to the exercise of rights.

C. All rights and remedies of the City under this Agreement are separate and cumulative and none excludes any other right or remedy of the City set forth in this Agreement or allowed by law or in equity. No termination of this Agreement or the taking or recovery of the Leased Space deprives the City of any of its remedies against Tenant for Rent, including Additional Rent or other amounts due or for damages for the Tenant's breach of this Agreement. Every right and remedy of the City under this Agreement survives the expiration of the Term or the termination of this Agreement.

ARTICLE 10 SPECIAL CONDITIONS

10.1 Warranties and Representations. In connection with the execution of this Agreement, Tenant warrants and represents statements (A) through (K) below are true as of the Effective Date. If during the Term there is any change in circumstances that would cause a statement to be untrue, Tenant must promptly notify the Commissioner in writing. Failure to do so will constitute an Event of Default. Tenant must incorporate all of the provisions set forth in

this Section 10.1 in all Subcontracts entered into with any suppliers of materials, furnishers of services, Subcontractors, and labor organizations that furnish skilled, unskilled and craft union skilled labor, or that may provide any materials, labor or services in connection with this Agreement, such that the parties warrant, represent and covenant to Tenant as to the matters set forth in this Section. Tenant must cause its Subcontractors to execute those affidavits and certificates that may be necessary in furtherance of these provisions. The certifications must be attached and incorporated by reference in the applicable agreements. If any Subcontractor is a partnership or joint venture, Tenant must also include provisions in its Subcontract insuring that the entities comprising the partnership or joint venture are jointly and severally liable for its obligations under it.

A. Tenant is financially solvent; Tenant holds itself to very high standards of quality and professionalism; Tenant and each of its employees and agents are competent to perform as required under this Agreement; this Agreement is feasible of performance by Tenant in accordance with all of its provisions and requirements; Tenant has the full power and is legally authorized to perform or cause to be performed its obligations under this Agreement under the terms and conditions stated in this Agreement; and Tenant can and will perform, or cause to be performed, all of its obligations under this Agreement in accordance with the provisions and requirements of this Agreement

B. Tenant is qualified to do business in the State of Illinois; and Tenant has a valid current business privilege license to do business in the State of Illinois and the City of Chicago, if required by applicable law.

C. The person signing this Agreement on behalf of Tenant has been duly authorized to do so by Tenant; all approvals or consents necessary in order for Tenant to execute and deliver this Agreement have been obtained; and neither the execution and delivery of this Agreement, the consummation of the transactions contemplated, nor the fulfillment of or compliance with the terms and conditions of this Agreement:

- (i) conflict with or result in a breach, default or violations of: Tenant's organizational documents; any law, regulation, ordinance, court order, injunction, or decree of any court, administrative agency or governmental body, or any lease or permit; or any of the terms, conditions or provisions of any restriction or any agreement or other instrument to which Tenant is now a party or by which it is bound; or
- (ii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Tenant under the terms of any instrument or agreement.

D. There is no litigation, claim, investigation, challenge or other proceeding now pending or, to Tenant's knowledge after due and complete investigation, threatened, challenging the existence or powers of Tenant, or in any way affecting its ability to execute or perform under this Agreement or in any way having a material adverse effect on the operations, properties, business or finances of Tenant.

E. This Agreement constitutes the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights and remedies generally and by the application of equitable principles.

F. No officer, agent or employee of the City is employed by Tenant or has a financial interest directly or indirectly in this Agreement, a Subcontract under it, or the compensation to be paid under it except as may be permitted in writing by the Board of Ethics established under Chapter 2-156 of the Municipal Code and as may otherwise be permitted by law.

G. Tenant has not and will not knowingly used the services of any person or entity for any purpose in its performance under this Agreement, when such person or entity is ineligible to perform services under this Agreement or in connection with it, as a result of any local, state or federal law, rule or regulation, or when such person or entity has an interest that would conflict the performance of services under this Agreement.

H. There was no broker instrumental in consummating this Agreement and no conversations or prior negotiations were had with any broker concerning the rights granted in this Agreement with respect to the Leased Space. Tenant shall hold the City harmless against any claims for brokerage commission arising out of any conversations or negotiations had by Tenant with any broker.

I. Neither Tenant nor any Affiliate of Tenant is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U. S. Department of Commerce or their successors, or on any other list of persons with which the City may not do business under applicable law: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, and Entity List, and the Debarred List.

J. Tenant, and to the best of Tenant's knowledge, its Affiliates, Subcontractors, any of their respective owners holding 7.5% or more beneficial ownership interest, and any of Tenant's directors, officers, members, or partners:

- (i) currently have no interest, directly or indirectly, that conflicts in any manner or degree with Tenant's performance under this Agreement and will not at any time during the Term have any interest nor acquire any interest, directly or indirectly, that conflicts or would or may conflict in any manner or degree with Tenant's performance under this Agreement;
- (ii) have no outstanding parking violation complaints or debts, as the terms are defined in Section 2-92-380 of the Municipal Code (with the exception of any debt or obligation that is being contested in a pending administrative or judicial proceeding) and agrees that, for the Term, they will promptly pay any debts, outstanding parking violation complaints or monetary obligations to the City that

may arise during the Term, with the exception of any debt or obligation that is being contested in a pending administrative or judicial proceeding;

- (iii) are not in default under any other City contract or agreement as of the Effective Date, nor have been deemed by the City to have been in default of any other City contract or agreement within five years immediately preceding the Effective Date;
- (iv) are not in violation of the provisions of § 2-92-320 of the Municipal Code pertaining to certain criminal convictions or admissions of guilt and are not currently debarred or suspended from contracting by any Federal, State or local governmental agency;
- (v) are not delinquent in the payment of any taxes due to the City; and
- (vi) will not make use of the Leased Space in any manner that might interfere with the landing and taking off of aircraft at the Airport under current or future conditions or that might otherwise constitute a hazard to the operations of the Airport or to the public generally.

K. Except only for those representations, statements, or promises expressly contained in this Agreement, including any Exhibits attached to this Agreement and incorporated by reference in this Agreement, no representation, warranty of fitness, statement or promise, oral or in writing, or of any kind whatsoever, by the City, its officials, agents, or employees, has induced Tenant to enter into this Agreement or has been relied upon by Tenant, including any with reference to:

- (i) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement;
- (ii) the nature of the Concession license being granted;
- (iii) the nature, quantity, quality or volume of any materials, equipment, labor and other facilities, needed for the performance of this Agreement;
- (iv) the general conditions that may in any way affect this Agreement or its performance;
- (v) the compensation provisions of this Agreement; or
- (vi) any other matters, whether similar to or different from those referred to in clauses (i) through (iv) immediately above, affecting or having any connection with this Agreement, the negotiation of this Agreement, any discussions of this Agreement, the performance of this Agreement or those employed in connection with it.

10.2 Business Documents, Disclosure of Ownership Interests and Maintenance of Existence.

A. Tenant must provide evidence of its authority to do business in the State of Illinois including, if applicable, certifications of good standing from the Office of the Secretary

of State of Illinois, and appropriate resolutions or other evidence of the authority of the persons executing this Agreement on behalf of Tenant.

B. Tenant has provided the Commissioner with an Economic Disclosure Statement and Affidavit (“EDS”) for itself and EDSs for all entities with an ownership interest of 7.5 percent or more in Tenant, copies of which have been scanned for viewing on the City’s website. Upon request by the Commissioner, Tenant must further cause its Subcontractors, subtenants, sublicensees and proposed Transferees (and their respective 7.5 percent owners) to submit an EDS to the Commissioner. Tenant must provide the Commissioner, upon request, a “no change” affidavit if the information in the EDS(s) previously supplied remains accurate, or revised and accurate EDS(s) if the information contained in the EDS(s) has changed. In addition, Tenant must provide the City revised and accurate EDS(s) within 30 days of any event or change in circumstance that renders the EDS(s) inaccurate. Failure to maintain accurate EDS(s) on file with the City is an Event of Default.

10.3 Licenses and Permits. Tenant must in a timely manner consistent with its obligations under this Agreement, secure and maintain, or cause to be secured and maintained at its expense, the permits, licenses, authorizations and approvals as are necessary under federal, state or local law for Tenant, its subtenants (if any), and Subcontractors: to operate the Concession; to construct, operate, use and maintain the Leased Space; and otherwise to comply with the terms of this Agreement and the privileges granted under this Agreement. Tenant must promptly provide copies of any required licenses and permits to the Commissioner and to the Concession Management Representative.

10.4 Confidentiality. Except as may be required by law during or after the performance of this Agreement, Tenant will not disseminate any non-public information regarding this Agreement or the Concession operations without the prior written consent of the Commissioner, which consent will not be unreasonably withheld or delayed. If Tenant is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any documents that may be in its possession by reason of this Agreement, Tenant must immediately give notice to the City’s Corporation Counsel. The City may contest the process by any means available to it before the records or documents are submitted to a court or other third party. Tenant, however, is not obligated to withhold the delivery beyond that time as may be ordered by the court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended. Tenant must require each prospective Subcontractor to abide by such restrictions in connection with their respective Subcontracts.

10.5 Subcontracts and Assignments.

A. The City expressly reserves the right to assign or otherwise transfer all or any part of its interest under this Agreement, at any time and to any third party. Upon assignment to any successor or assignee of the City's right, title and interest in and to the Airport, the City is forever relieved, from and after the date of the assignment, of any and all obligations arising under or out of this Agreement, to the extent the obligations are assumed by the successor or assignee.

- B. Limits on Tenant's transfers and changes in ownership:
- (i) Tenant may not sell, assign, sublease, sublicense, convey, pledge, encumber or otherwise transfer (individually and collectively, "**Transfer**") all or any part of its rights or interests in or to this Agreement, the License, the Leased Space, the Term, or otherwise permit any third party to use the Leased Space, without prior consent of the City, which consent may be given or denied in the City's sole and absolute discretion. Consent by the City does not relieve Tenant from obtaining further consent from the City for any subsequent Transfer. Transfers involving all of Tenant's interest in this Agreement require approval of the City Council. Transfers of less than all of Tenant's interest in this Agreement require approval of the Commissioner. Consent by the City to any Transfer does not relieve Tenant from the requirement of obtaining consent from the City for any subsequent Transfer. Transfers that have the effect of granting a third party a security interest in this Agreement or the Leased Space as collateral for Tenant financing are strictly prohibited and, if entered into by Tenant, are an Event of Default.
 - (ii) Except as otherwise provided below, any transaction involving a change of any ownership interest in Tenant, whether to an Affiliate, subsidiary or otherwise, or the transfer of an interest in any holder of a direct or indirect ownership interest in Tenant, or any merger or consolidation of Tenant (individually and collectively, "**Change in Ownership**"), is subject to the consent of:
 - a. City Council, in its sole discretion, if the Change in Ownership involves a 100% Change in Ownership of Tenant, or
 - b. the Commissioner, in her reasonable discretion, if the Change in Ownership involves less than a 100% Change in Ownership of Tenant.
 - (iii) If Tenant (or, if Tenant is a joint venture or other entity comprised of other entities, any of the entities comprising Tenant) is a corporation whose shares are traded at arms-length on a public exchange, any Change in Ownership involving **5%** or more of the shares of Tenant's (or if Tenant is a joint venture or other entity comprised of other entities, of any of the entities comprising Tenant) stock is subject to the City's consent as set forth above. In that event, Tenant must provide the City with such prior notice of a Change in Ownership as is not prohibited by law or by a confidentiality agreement executed in connection with the proposed Change in Ownership. If such prior notice is not permitted, then Tenant must notify the City as soon as possible after the Change in Ownership to obtain the City's consent to the Change in Ownership, which consent the City may grant or deny in its sole discretion. If Tenant (or if Tenant is a joint venture or other entity comprised of other entities, of any of the entities comprising Tenant) is a publicly traded corporation, a Change in Ownership of less than 5% does not

require consent as set forth in (ii) above unless a series of such transactions results in a cumulative Change in Ownership of 5% or more.

- (iv) Consent by the City to any Change in Ownership does not relieve Tenant (or if Tenant is a joint venture, any of the entities comprising Tenant) from the requirement of obtaining consent from the City for any subsequent Change in Ownership.
- (v) Any Transfer or Change in Ownership made without the City's prior consent is an Event of Default subject to all remedies, including termination of this Agreement at the City's option, and does not relieve Tenant of any of its obligations under this Agreement for the balance of the Term. This section applies to prohibit a Transfer, such as an assignment by a receiver or trustee in any federal or state bankruptcy, insolvency or other proceedings or by operation of law. Under no circumstances will any failure by the Commissioner to act on or submit any request by Tenant or to take any other action as provided in this Agreement be deemed or construed to constitute consent to the Tenant's request by the Commissioner or by the City Council. If the City is found to have breached its obligations under this Section, then Tenant's sole remedy is to terminate this Agreement without liability to either the City or Tenant.
- (vi) Notwithstanding any permitted Transfer by Tenant of any rights under this Agreement, Tenant remains fully liable for all payments due to the City under this Agreement and for the performance of all other obligations under this Agreement. In the event of a permitted Transfer of the License or all or any portion of the Leased Space or Transfer of all or any portion of the Term, where the fees payable to Tenant exceed the Rent or pro rata portion of the Rent under this Agreement, as the case may be, for the License, Leased Space or Term, Tenant must pay the City monthly, as Additional Rent, at the same time as the monthly installments of other Rent under this Agreement that are payable in monthly installments, the excess of the fees payable to Tenant pursuant to the Transfer over the Rent payable to the City under this Agreement.
- (vii) Any or all of the requests by Tenant for consents under this Section must be made in writing and provided to the Commissioner (a) at least 60 days prior to the proposed Transfer or Change in Ownership if the Commissioner's consent is required; and (b) at least 120 days prior to a proposed Transfer or Change in Ownership if the City Council's consent is required, unless the City determines that more time is required. All requests for consent must include copies of the proposed documents of Transfer or Change in Ownership, evidence of the financial condition, reputation and business experience of the proposed transferee, completed Economic Disclosure Statements and Affidavits for all involved parties in the form then required by the City, and such other documents as the City may reasonably require to evaluate the proposed Transfer or Change in Ownership. All documents of Transfer or Change in Ownership must completely disclose any

and all monetary considerations payable to Tenant in connection with the Transfer or Change in Ownership. Consent to a Transfer or Change in Ownership proposed under this Agreement is in the sole discretion of the City and, as a condition of the consent, the City may require a written acknowledgment from Tenant that, notwithstanding the proposed Transfer or Change in Ownership, Tenant remains fully and completely liable for all obligations of Tenant under this Agreement; however, Tenant shall remain so liable regardless of whether or not the City requests a written acknowledgement.

- (viii) If any Transfer or Change in Ownership under this Agreement occurs, whether or not prohibited by this section, the Commissioner may collect the Rent payable under this Agreement from any transferee of Tenant and in that event will apply the net amount collected to the amounts payable by Tenant under this Agreement without, by doing so, releasing Tenant from this Agreement or any of its obligations under this Agreement. If any Transfer or Change in Ownership occurs without the consent of the City and the City collects compensation from any transferee of Tenant and applies the net amount collected in the manner described in the preceding sentence, the actions by the City are not deemed to be waiver of the covenant contained in this section and do not constitute acceptance of the transferee by the City.
- (ix) All reasonable costs and expenses incurred by the City in connection with any prohibited or permitted Transfer or Change in Ownership must be borne by Tenant and are payable to the City as Additional Rent.
- C. The provisions of this Agreement, to the extent applicable, are deemed a part of any sublease or contract between Tenant and a subtenant or Subcontractor.
- D. Assignment of Subleases, Sublicenses and Subcontracts.
 - (i) Tenant shall assign to the City all of Tenant's right, title and interest in and to each and every permitted sublease and sublicense and each and every Subcontract with a design and construction Subcontractor, now or later executed by Tenant in connection with the License or the Leased Space or any part of it. In connection with the assignment, Tenant must deliver all originally executed subleases, sublicenses and Subcontracts to the Commissioner. Any such assignment will become operative and effective only when and if the City accepts the assignment by giving written notice to Tenant and:
 - a. either this Agreement and the Term of this Agreement or Tenant's right to possession under this Agreement are terminated pursuant to Article 9; or
 - b. in the event of the issuance and execution of a dispossess warrant or of any other re-entry or repossession by the City under the provisions of this Agreement; or
 - c. if an Event of Default exists.

- (ii) At the time, if any, that the assignment becomes effective as provided above, the subtenants or Subcontractors will be deemed to have waived all claims, suits, and causes of action against the City arising out of or relating to the period before the effective date of the assignment. Further, in no instance will the City be responsible for any claims by a subtenant or Subcontractor arising from or related to any fraud, misrepresentation, negligence or willful or intentionally tortious conduct by Tenant, its officials, employees, or agents.

10.6 Compliance with Laws. Tenant must at all times observe and comply with all applicable laws, statutes, ordinances, rules, regulations, court orders and executive or administrative orders and directives of the federal, state and local government, now existing or later in effect (whether or not the law also requires compliance by other parties), including the Americans with Disabilities Act and Environmental Laws, that may in any manner affect the performance of this Agreement (collectively, “**Laws**”), and must not use the Leased Space, or allow the Leased Space to be used, in violation of any Laws or in any manner that would impose liability on the City or Tenant under any Laws. Tenant must notify the City within seven days of receiving notice from a competent governmental authority that Tenant or any of its Subcontractors may have violated any Laws. Provisions required by any Law to be inserted in this Agreement are deemed inserted in this Agreement whether or not they appear in this Agreement or, upon application by either party, this Agreement will be amended to make the insertion; however, in no event will the failure to insert the provisions before or after this Agreement is signed prevent its enforcement. Without limiting the foregoing, Tenant covenants that it will comply with all Laws, including but not limited to the following:

A. In connection with Section 2-92-320 of the Municipal Code, Tenant has executed an Economic Disclosure Statement and Affidavit which is attached to this Agreement as Exhibit 11 and which contains a certification as required under the Illinois Criminal Code, 720 ILCS 5/33E, and under the Illinois Municipal Code, 65 ILCS 5/8-10-1 et seq. Ineligibility under Section 2-92-320 of the Municipal Code continues for 3 years following any conviction or admission of a violation of Section 2-92-320. For purposes of Section 2-92-320, when an official, agent or employee of a business entity has committed any offense under the section on behalf of such an entity and under the direction or authorization of a responsible official of the entity, the business entity is chargeable with the conduct. If, after Tenant enters into a contractual relationship with a Subcontractor, it is determined that the contractual relationship is in violation of this subsection, Tenant must immediately cease to use the Subcontractor. All Subcontracts must provide that Tenant is entitled to recover all payments made by it to the Subcontractor if, before or subsequent to the beginning of the contractual relationship, the use of the Subcontractor would be violative of this subsection.

B. It is the duty of Tenant and all officers, directors, agents, partners, and employees of Tenant to cooperate with the Inspector General and the Legislative Inspector General of the City in any investigation or hearing undertaken under Chapter 2-56 or Chapter 2-55 of the Municipal Code, respectively. Tenant understands and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code. Tenant must inform all Subcontractors of this provision

and require under each Subcontract compliance herewith by each Subcontractor as to each such Subcontractor and all of its officers, directors, agents, partners and employees.

C. Tenant must not use or allow the Leased Space to be used for the release, storage, use, treatment, disposal or other handling of any hazardous substance, as defined in any Environmental Laws, except in full compliance with all Environmental Laws. Tenant must not use or allow the Leased Space to be used for the storage of any such hazardous substances except small amounts of cleaning fluids, business equipment materials (such as copy machine toner) and other small amounts of such hazardous substances customarily handled or used in connection with the Concession operations, all of which must be stored and used in compliance with all applicable Environmental Laws. Upon the expiration or termination of this Agreement, Tenant must surrender the Leased Space to the City free from the presence and contamination of any hazardous substances.

D. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Tenant warrants and represents that it, and to the best of its knowledge, its Subcontractors have not violated and are not in violation of the following sections of the Municipal Code (collectively, the “Waste Sections”):

7-28-390 Dumping on public way—Violation—Penalty;

7-28-440 Dumping on real estate without permit;

11-4-1410 Disposal in waters prohibited;

11-4-1420 Ballast tank, bilge tank or other discharge;

11-4-1450 Gas manufacturing residue;

11-4-1500 Treatment and disposal of solid or liquid waste;

11-4-1530 Compliance with rules and regulations required;

11-4-1550 Operational requirements;

11-4-1560 Screening requirements; and

any other sections listed in Section 11-4-1600(e), as it may be amended from time to time.

During the period while this Agreement is executory, Tenant’s or any Subcontractor’s violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an Event of Default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner. Such breach and Event of Default entitles the City to all remedies under the Agreement, at law or in equity. This section does not limit the Tenant’s and its Subcontractors’ duty to comply with all Environmental Laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Tenant's eligibility for future City agreements.

E. Section 2-92-586 of the Municipal Code: The City encourages Tenant to use contractors and subcontractors that are firms owned or operated by individuals with disabilities, as defined by section 2-92-586 of the Municipal Code of the City of Chicago, where not otherwise prohibited by federal or state law.

F. Prohibition on Certain Contributions (Mayoral Executive Order No. 2011-4):

1. Licensee agrees that Tenant, any person or entity who directly or indirectly has an ownership or beneficial interest in Tenant of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Tenant's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Tenant and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fund-raising committee (i) after execution of this bid, proposal or Agreement by Tenant, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Tenant and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

2. Tenant represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Tenant or the date the Tenant approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fund-raising committee.

3. Tenant agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fund-raising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fund-raising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fund-raising committee.

4. Tenant agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

5. Tenant agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

6. If Tenant violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, the Chief Procurement Officer may reject Tenant's bid.

7. For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fund-raising committee.

"Other Contract" means any other agreement with the City of Chicago to which Tenant is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the city council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (a) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (b) neither party is married; and
- (c) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (d) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (e) two of the following four conditions exist for the partners:
 - (i) The partners have been residing together for at least 12 months.
 - (ii) The partners have common or joint ownership of a residence.
 - (iii) The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 - (iv) Each partner identifies the other partner as a primary beneficiary in a will.

"Political fund-raising committee" means a "political fund-raising committee" as defined in Chapter 2-156 of the Municipal code of Chicago, as amended.

G. Tenant covenants that no payment, gratuity or offer of employment must be made in connection with this Agreement by or on behalf of any Subcontractors or higher tier Subcontractors or anyone associated with them as an inducement for the award of a Subcontract or order; and Tenant further acknowledges that any agreement entered into, negotiated or performed in violation of any of the provisions of Chapter 2-156 of the Municipal Code is voidable as to the City.

H. Pursuant to section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the city, or any person acting at the direction of such official, to contact, either orally or in writing, any other city official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any city council committee hearing or in any city council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. **Violation of §2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement.** Section 2-156-080 defines a “business relationship” as any contractual or other private business dealing of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a financial interest will not include: (1) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (2) the authorized compensation paid to an official or employee for his office or employment; (3) any economic benefit provided equally to all residents of the city; (4) a time or demand deposit in a financial institution; or (5) an endowment or insurance policy or annuity contract purchased from an insurance company. A “contractual or other private business dealing” will not include any employment relationship of an official’s spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the city.

I. Visual Rights Act.

(i) The Tenant will cause any artist who creates artwork for the Leased Space to waive any and all rights in the artwork that may be granted or conferred on any work of visual art (the "Artwork") under Section 106A and Section 113 of the United States Copyright Act, (17 U.S.C. § 101 et seq.) (the "*Copyright Act*"). The waiver must include, but is not limited to, the right to prevent the removal, storage, relocation, reinstallation, or transfer of the Artwork. The Tenant acknowledges and will cause the artist to acknowledge that such removal, storage, relocation, reinstallation or transfer of the Artwork may result in the destruction, distortion, mutilation or other modification of the Artwork. Further, the Tenant acknowledges and consents and will cause the artist to acknowledge and consent that the Artwork may be incorporated or made part of a building or other structure in such a way that removing, storing, relocating, reinstalling or transferring the Artwork will cause the destruction, distortion, mutilation or other modification of the Artwork.

(ii) The Tenant represents and warrants that it will obtain a waiver of Section 106A and Section 113 of the Copyright Act as necessary from any employees and subcontractors, or any other artists. Tenant must provide City with copies of any such waivers required by Section 106A and Section 113 of the Copyright Act prior to installation of any Artwork in the Leased Space.

10.7 Airport Security.

A. This Agreement is expressly subject to the airport security requirements of Title 49 of the United States Code, Chapter 449, as amended ("**Airport Security Laws**"), the provisions of which govern airport security and are incorporated by reference, including the rules and regulations promulgated under it. Tenant is subject to, and further must conduct with respect to its Subcontractors and the respective employees of each, such employment investigations, including criminal history record checks, as the Commissioner, the TSA or the FAA may deem necessary. Further, in the event of any threat to civil aviation, as defined in the Airport Security Laws, Tenant must promptly report any information in accordance with those regulations promulgated by the United States Department of Transportation, the TSA and by the City. Tenant must, notwithstanding anything contained in this Agreement to the contrary, at no additional cost to the City, perform under this Agreement in compliance with those guidelines developed by the City, the TSA and the FAA with the objective of maximum security enhancement. The drawings, plans, and specifications provided by Tenant under this Agreement must comply with those guidelines for airport security developed by the City, the TSA and the FAA and in effect at the time of their submission.

B. Further, Tenant must comply with, and require compliance by its Subcontractors, suppliers of materials and furnishers of services, employees, and business invitees, with all present and future laws, rules, regulations, or ordinances promulgated by the City, the TSA or the FAA, or other governmental agencies to protect the security and integrity of the Airport, and to protect against access by unauthorized persons. Subject to the approval of the TSA, the FAA and the Commissioner, Tenant must adopt procedures to control and limit access to the Airport and the Leased Space by Tenant and its Subcontractors, suppliers of materials and furnishers of services, employees, and business invitees in accordance with all present and future City, TSA and FAA laws, rules, regulations, and ordinances. At all times during the Term, Tenant must have in place and in operation a security program for the Leased Space that complies with all applicable laws and regulations.

C. Gates and doors located on the Leased Space, if any, that permit entry into restricted areas at the Airport must be kept locked by Tenant at all times when not in use or under Tenant's constant security surveillance. Gate or door malfunctions must be reported to the Commissioner or the Commissioner's designee without delay and must be kept under constant surveillance by Tenant until the malfunction is remedied.

D. In connection with the implementation of its security program, Tenant may receive, gain access to or otherwise obtain certain knowledge and information related to the City's overall Airport security program. Tenant acknowledges that all such knowledge and

information is of a highly confidential nature. Tenant covenants that no person will be permitted to gain access to such knowledge and information, unless the person has been approved by the Commissioner in advance in writing. Tenant further must indemnify, hold harmless and defend the City and other users of the Airport from and against any and all claims, reasonable costs, reasonable expenses, damages and liabilities, including all reasonable attorney's fees and costs, resulting directly or indirectly from the breach of Tenant's covenants and agreements as set forth in this section.

E. Tenant understands that fines and/or penalties may be assessed by the TSA or FAA for Tenant's noncompliance with the provisions of 49 CFR Parts 1540 and 1542 entitled "Airport Security" or by other agencies for noncompliance with regulations applicable to Tenant's operations. In the event the City shall be subject to any fine or penalty by reason of any violation at the Airport of any such rule, regulation or standard, the Commissioner may conduct an investigation and make a determination as to the identity of the party responsible for the violation. If it is determined by the Commissioner that Tenant, or any party for which Tenant is liable under this Agreement, is responsible for all or part of the fine or penalty, the Tenant shall pay said amount of the fine or penalty as Additional Rent.

10.8 Non-Discrimination.

A. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration of this Agreement, covenants that:(i) no person on the grounds of race, color, or national origin will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in the use of the Leased Space; (ii) in the construction of any Improvements on, over, or under the Leased Space and the furnishing of services in them, no person on the grounds of race, color, or national origin will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination; (iii) Tenant will use the Leased Space in compliance with all other requirements imposed by or under 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as those regulations may be amended; and (iv) Tenant shall operate the Concession on a fair, equal, and not illegally discriminatory basis to all users of it, and shall charge fair, reasonable, and nondiscriminatory prices for Products (but Tenant is allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.) In addition, Tenant assures that it will comply with all other pertinent statutes, Executive Orders and the rules as are promulgated to assure that no person will, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefitting from federal assistance.

B. It is an unlawful practice for Tenant to, and Tenant must at no time: (i) fail or refuse to hire, or discharge, any individual or discriminate against the individual with respect to his or her compensation, or the terms, conditions, or privileges of his or her employment, because of the individual's race, creed, color, religion, sex, age, handicap or national origin; or (ii) limit, segregate, or classify its employees or applicants for employment in any way that would deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee, because of the individual's race, creed, color, religion, sex, age,

handicap or national origin; or (iii) in the exercise of the privileges granted in this Agreement, discriminate or permit discrimination in any manner, including the use of the Leased Space, against any person or group of persons because of race, creed, color, religion, national origin, age, handicap, sex or ancestry. Tenant must post in conspicuous places to which its employees or applicants for employment have access, notices setting forth the provisions of this non-discrimination clause.

C. Tenant must comply with the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq. (1981), as amended, and to the extent required by the law, must undertake, implement and operate an affirmative action program in compliance with the rules and regulations of the Federal Equal Employment Opportunity Commission and the Office of Federal Contract Compliance, including 14 CFR Part 152, Subpart E. Attention is called to: Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. § 2000e note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. §§ 6101-06 (1981); Rehabilitation Act of 1973, 29 U.S.C. §§ 793-94 (1981); Americans with Disabilities Act, 42 U.S.C. § 12101 and 41 CFR Part 60 et seq. (1990) and 49 CFR Part 21, as amended (the "ADA"); and all other applicable federal statutes, regulations and other laws.

D. Tenant must comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. as amended and any rules and regulations promulgated in accordance with it, including the Equal Employment Opportunity Clause, 5 Ill. Admin. Code §750 Appendix A. Furthermore, Tenant must comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 et seq., as amended, and all other applicable state statutes, regulations and other laws.

E. Tenant must comply with the Chicago Human Rights Ordinance, sec. 2-160-010 et seq. of the Municipal Code, as amended, and all other applicable City ordinances and rules. Further, Tenant must furnish or must cause each of its Subcontractor(s) to furnish such reports and information as requested by the Chicago Commission on Human Relations.

F. Tenant must insert these non-discrimination provisions in any agreement by which Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Leased Space. Tenant must incorporate all of the above provisions in all agreements entered into with any subtenants, suppliers of materials, furnishers of services, Subcontractors of any tier, and labor organizations that furnish skilled, unskilled and craft union skilled labor, or that may provide any such materials, labor or services in connection with this Agreement, and Tenant must require them to comply with the law and enforce the requirements. In all solicitations either by competitive bidding or negotiations by Tenant for work to be performed under a Subcontract, including procurements of materials or leases of equipment, each potential Subcontractor or supplier must be notified by Tenant of the Tenant's obligations under this Agreement relative to nondiscrimination.

G. Noncompliance with this Section will constitute a material breach of this Agreement; therefore, in the event of such breach, Tenant authorizes the City to take such action as federal, state or local laws permit to enforce compliance, including judicial enforcement. In

the event of Tenant's noncompliance with the nondiscrimination provisions of this Agreement, the City may impose such sanctions as it or the Federal or state government may determine to be reasonably appropriate, including cancellation, termination or suspension of the Agreement, in whole or in part.

H. Tenant must permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the City, the Commissioner or the Federal government to be pertinent to ascertain compliance with the terms of this Section. Tenant must furnish to any agency of the Federal or state government or the City, as required, any and all documents, reports and records required by Title 14, Code of Federal Regulations, Part 152, Subpart E, including an affirmative action plan and Form EEO-1.

10.9 Airport Concession Disadvantaged Business Enterprises (ACDBEs). This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations 49 C.F.R. Parts 26 and 23, as amended from time to time. Tenant must comply with the Special Conditions Regarding ACDBE participation attached hereto as Exhibit 8 and incorporated here by reference. Failure to comply with such Special Conditions shall be an Event of Default

10.10 No Exclusive Rights. Nothing contained in this Agreement must be construed to grant or authorize the granting of an exclusive right, including an exclusive right to provide aeronautical services to the public as prohibited by section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature. It is clearly understood by Tenant that no right or privilege has been granted that would operate to prevent any person, firm, or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including maintenance and repair) that it may choose to perform.

10.11 Airport Landing Area. The City reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Tenant, and without interference or hindrance. The City reserves the right, but is not obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

10.12 No Obstructions. Tenant must comply with applicable notification and review requirements covered in Part 77 of the Federal Aviation Regulations if any future structure or building is planned for the Leased Space, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Space. Tenant, by accepting the Lease, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the Leased Space above the applicable mean sea level elevation set forth in Part 77 of the Federal Aviation Regulations. If these covenants are breached, the City serves the right to enter upon the Leased Space and to remove the offending structure or object and/or cut down the offending tree, all of which will be at the expense of Tenant.

10.13 Avigation Easement. There is reserved to the City, 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 Leased Space. This public right of flight includes the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation on the Airport. Tenant by accepting this Lease agrees for itself, its successors, and assigns that it will not make use of the Leased Space in any manner that might interfere with the landing and taking off of aircraft from Airport or otherwise constitute a hazard. If these covenant is breached, the City reserves the right to enter upon the Leased Space and cause the abatement of the interference at the expense of Tenant.

10.14 National Emergency. This Agreement and all the provisions of this Agreement are subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

10.15 2014 Hiring Prohibitions.

(A) The City is subject to the June 16, 2014 "City of Chicago Hiring Plan" (the "2014 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(B) Tenant is aware that City policy prohibits City employees from directing any individual to apply for a position with Tenant, either as an employee or as a subcontractor, and from directing Tenant to hire an individual as an employee or as a subcontractor. Accordingly, Tenant must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel of Tenant in connection with this Lease are employees or subcontractors of Tenant, not employees of the City of Chicago. This Contract is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel of Tenant.

(C) Tenant will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel associated with this Lease, or offer employment to any individual to provide services associated with this Lease, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Lease, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(D) In the event of any communication to Tenant by a City employee or City official in violation of Section 15.5(b) above, or advocating a violation of Section 15.5(c) above, Tenant will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General, and also to the Commissioner of the Department.

ARTICLE 11 GENERAL CONDITIONS

11.1 Entire Agreement. This Agreement contains all the terms, covenants, conditions and agreements between the City and Tenant relating in any manner to the use and occupancy of the Leased Space and otherwise to the subject matter of this Agreement. No prior or other agreement or understandings pertaining to these matters are valid or of any force and effect. This Agreement supersedes all prior or contemporaneous negotiations, undertakings, and agreements between the parties. No representations, inducements, understandings or anything of any nature whatsoever made, stated or represented by the City or anyone acting for or on the City's behalf, either orally or in writing, have induced Tenant to enter into this Agreement, and Tenant acknowledges, represents and warrants that Tenant has entered into this Agreement under and by virtue of Tenant's own independent investigation.

11.2 Counterparts. This Agreement may be comprised of several identical counterparts and may be fully executed by the parties in separate counterparts. Each such counterpart is deemed to be an original, but all such counterparts together must constitute but one and the same Agreement.

11.3 Amendments. Except as otherwise expressly provided in this Agreement, the provisions of this Agreement may be amended only by a written agreement signed by the City and Tenant. No review or approval by the Commissioner, including approval of Construction Documents, constitutes a modification of this Agreement (except to the extent that the review or approval expressly provides that it constitutes such a modification or it is apparent on its face that the review or approval, if made in writing, modifies terms or provisions of this Agreement that are within the express powers of the Commissioner under this Agreement to modify), nor excuse Tenant from compliance with the requirements of this Agreement or of any applicable laws, ordinances or regulations. Amendments must be signed by the Mayor, provided that the Commissioner alone may sign amendments to the Exhibits. Notwithstanding the foregoing, any amendment that would modify the Agreement such that the Agreement would no longer substantially conform to the form of Agreement that was approved by City Council requires approval by the City Council.

11.4 Severability. Whenever possible, each provision of this Agreement must be interpreted in such a manner as to be effective and valid under applicable law. However, notwithstanding anything contained in this Agreement to the contrary, if any provision of this Agreement is under any circumstance prohibited by or invalid under applicable law, the

provision is severable and deemed to be ineffective, only to the extent of the prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the validity of the provision in other circumstances.

11.5 Covenants in Subcontracts. All obligations imposed on Tenant under this Agreement pertaining to the maintenance and operation of the Leased Space and compliance with the ACDBE requirements in this Agreement are deemed to include a covenant by Tenant to insert appropriate provisions in all Subcontracts covering work under this Agreement and to enforce compliance of all Subcontractors with the requirements of those provisions.

11.6 Governing Law. This agreement is deemed made in the state of Illinois and governed as to performance and interpretation in accordance with the laws of Illinois. Tenant irrevocably submits itself to the original jurisdiction of those courts located within Cook County, Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. Tenant consents to service of process on Tenant, at the option of the City, by registered or certified mail addressed to the applicable office as provided for in this Agreement, by registered or certified mail addressed to the office actually maintained by Tenant, or by personal delivery on any officer, director, or managing or general agent of Tenant. If any action is brought by Tenant against the City concerning this Agreement, the action can only be brought in those courts located within Cook County, Illinois.

11.7 Notices. Any notices or other communications pertaining to this Agreement must be in writing and are deemed to have been given by a party if sent by nationally recognized commercial overnight courier or registered or certified mail, return receipt requested, postage prepaid and addressed to the other party. Notices are deemed given on the date of receipt if by personal service, or one day after deposit with a nationally recognized commercial overnight courier, 3 days after deposit in the U.S. mails, or otherwise upon refusal of receipt. Unless otherwise directed by Tenant in writing, all notices or communications from City to Tenant will be addressed to the person identified as the Tenant's contact person in the Tenant's Economic Disclosure Statement and Affidavit, as attached as Exhibit 11. All notices or communications from Tenant to the City must be addressed to:

Commissioner, Chicago Department of Aviation
 City of Chicago
 O'Hare International Airport
 10510 W. Zemke Rd
 Chicago, Illinois 60666

and with a copy to: Deputy Commissioner of Concessions at the same address.

If the notice or communication relates to payment of Rent or other payments to the City or relates to the Security deposit or insurance requirements, a copy must be sent to:

City Comptroller
City of Chicago
City Hall - Room 501
121 N. LaSalle Street
Chicago, Illinois 60602

If the notice or communication relates to a legal matter or the indemnification requirements, a copy must be sent to:

City of Chicago, Department of Law
Aviation, Environmental, Regulatory and Contracts Section
30 North LaSalle Street, Suite 1400
Chicago, Illinois 60602
Attn: Deputy Corporation Counsel

Either party may change its address or the individual to whom the notices are to be given by a notice given to the other party in the manner set forth above.

11.8 Successors and Assigns; No Third Party Beneficiaries. This Agreement inures to the exclusive benefit of, and be binding upon, the parties and their permitted successors and assigns; nothing contained in this Section, however, constitutes approval of an assignment or other transfer by Tenant not otherwise permitted in this Agreement. Nothing in this Agreement, express or implied, is intended to confer on any other person, sole proprietorship, partnership, corporation, trust or other entity, other than the parties and their successors and assigns, any right, remedy, obligation, or liability under, or by reason of, this Agreement unless otherwise expressly agreed to by the parties in writing. No benefits, payments or considerations received by Tenant for the performance of services associated and pertinent to this Agreement must accrue, directly or indirectly, to any employees, elected or appointed officers or representatives, or to any other person or persons identified as agents of, or who are by definition an employee of, the City. Neither this Agreement nor any rights or privileges under this Agreement are an asset of Tenant or any third party claiming by or through Tenant or otherwise, in any bankruptcy, insolvency or reorganization proceeding.

11.9 Subordination.

A. This Agreement is subordinate to the provisions and requirements of any existing or future agreements between the City and the United States government or other governmental authority, pertaining to the development, operation or maintenance of the Airport, including agreements the execution of which have been or will be required as a condition precedent to the granting of federal or other governmental funds for the development of the Airport. If the United States government requires modifications, revisions, supplements or deletions of any of the terms of this Agreement, then Tenant consents to the changes to this Agreement.

B. This Agreement and all rights granted to Tenant under this Agreement are expressly subordinated and subject to any existing agreement or any Use Agreement with any

airline utilizing the Airport, including the Terminals, and any existing agreement with any airline consortium pertaining to the operation of the Airport, including the Terminals.

C. To the extent of a conflict or inconsistency between this Agreement and any agreement described in paragraphs A. and B. above, those provisions in this Agreement so conflicting must be performed as required by those agreements referred to in paragraphs A. and B.

11.10 Conflict. In the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of any sublease or Subcontract between Tenant and third parties, the terms and provisions of this Agreement govern and control.

11.11 Offset by Tenant. Whenever in this Agreement the City is obligated to pay Tenant an amount, then the City Comptroller may elect to require Tenant to offset the amount due against Rent or other payments owed by Tenant to the City, in lieu of requiring the City to pay such amount. Tenant shall have no right to offset any amount due to City under this Agreement against amounts due to Tenant by City unless so directed in writing by the City Comptroller.

11.12 Waiver; Remedies. No delay or forbearance on the part of any party in exercising any right, power or privilege must operate as a waiver of it, nor does any waiver of any right, power or privilege operate as a waiver of any other right, power or privilege, nor does any single or partial exercise of any right, power or privilege preclude any other or further exercise of it or of any other right, power or privilege. No waiver is effective unless made in writing and executed by the party to be bound by it. The rights and remedies provided for in this Agreement are cumulative and are not exclusive of any rights or remedies that the parties otherwise may have at law, in equity or both, except that the City will not be liable to Tenant for any consequential damages whatsoever related to this Agreement.

11.13 Authority of Commissioner. Unless otherwise expressly stated in this Agreement, any consents and approvals to be given by the City under this Agreement may be made and given by the Commissioner or by such other person as may be duly authorized by the City Council, unless the context clearly indicates otherwise.

11.14 Estoppel Certificate. From time to time upon not less than 15 days prior request by the other party, a party or its duly authorized representative having knowledge of the following facts, will execute and deliver to the requesting party a statement in writing certifying as to matters concerning the status of this Agreement and the parties' performance under this Agreement, including the following:

A. that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of the modifications and that the Agreement as modified is in full force and effect);

B. the dates to which Rent, including Additional Rent, have been paid and the amounts of the Rent most recently paid;

C. that the requesting party is not in default under any provision of this Agreement, or, if in default, the nature of it in detail;

D. that, to its knowledge, the requesting party has completed all required improvements in accordance with the terms of this Agreement, and Tenant is in occupancy and paying Rent on a current basis with no offsets or claims; and

E. in the case of the City's request under this Agreement, such further matters as may be requested by the City, it being intended that any such statement may be relied upon by third parties.

11.15 No Personal Liability. Tenant, or any subtenant, sublicensee, assignee or Subcontractor, must not charge any elected or appointed official, agent, or employee of the City personally or seek to hold him or her personally or contractually liable to Tenant, subtenant, sublicensee, assignee, or Subcontractor for any liability or expenses of defense under any provision of this Agreement or because of any breach of its provisions or because of his or her execution, approval, or attempted execution of this Agreement.

11.16 Limitation of City's Liability. Tenant, its subtenants and Subcontractors must make no claims against the City for damages, charges, additional costs or fees or any lost profits or costs incurred by reason of delays or hindrances by the City in the performance of its obligations under this Agreement. All Tenant, subtenant, and Subcontractor personal property upon the Leased Space or upon any other part of the Airport, is at the risk of Tenant, subtenant, or Subcontractor respectively only, and the City is not liable for any loss or damage to it or theft of it or from it. The City is not liable or responsible to Tenant, its subtenants or Subcontractors, and Tenant waives, and will cause its subtenants and Subcontractors likewise to waive, to the fullest extent permitted by law, all claims against the City for any loss or damage or inconvenience to any property or person or any lost profits any or all of which may have been occasioned by or arisen out of any event or circumstance, including theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or water leakage, steam, excessive heat or cold, falling plaster, or broken glass; or any act or neglect of the City or any occupants of the Airport, including the Terminals or the Leased Space, or repair or alteration of any part of the Airport, or failure to make any such repairs or any other thing or circumstance, whether of a like nature or a wholly different nature. If the City fails to perform any covenant or condition of this Agreement that the City is required to perform and, notwithstanding the foregoing, Tenant recovers a money judgment against the City, the judgment must be satisfied only out of credit against the Rent and other monies payable by Tenant to the City under this Agreement, and the City is not liable for any deficiency except to the extent provided in this Agreement and to the extent that there are legally available Airport funds.

11.17 Joint and Several Liability. If Tenant, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination of them), then in that event, each and every obligation or undertaking stated in this Agreement to be fulfilled or

performed by Tenant is the joint and several obligation or undertaking of each such individual or other legal entity.

11.18 Non-Recordation. Tenant must not record or permit to be recorded on its behalf this Agreement or a memorandum of this Agreement, in any public office.

11.19 Survival. Any and all provisions set forth in this Agreement that, by its or their nature, would reasonably be expected to be performed after the expiration or termination of this Agreement survive and are enforceable after the expiration or termination. Any and all liabilities, actual or contingent, that have arisen in connection with this Agreement, survive any expiration or termination of this Agreement. Any express statement of survival contained in any section must not be construed to affect the survival of any other section, which must be determined under this section.

11.20 Force Majeure. Neither party is liable for non-performance of obligations under this Agreement due to delays or interruptions beyond their reasonable control, including delays or interruptions caused by strikes, lockouts, labor troubles, war, fire or other casualty, acts of God ("*force majeure* event"). As a condition to obtaining an extension of the period to perform its obligations under this Agreement, the party seeking such extension due to a *force majeure* event must notify the other party within 20 days after the occurrence of the *force majeure* event. The notice must specify the nature of the delay or interruption and the period of time contemplated or necessary for performance. The foregoing notwithstanding, however, in no event will Tenant be entitled to an extension of more than 60 days due to a *force majeure* event, without the express written consent of the Commissioner.

STAMPED

EXHIBIT 1
LEASED SPACE

(INCLUDING CONFIRMATION OF DBO AND ACTUAL IMPROVEMENT COSTS)

The Leased Space is located at [specify which Airport] and consists of ___ location(s) with a total of approximately ___ square feet of Retail Space and approximately ___ square feet of Storage Space as further depicted in the lease outline drawings attached hereto.

The Date of Beneficial Occupancy is: TBD

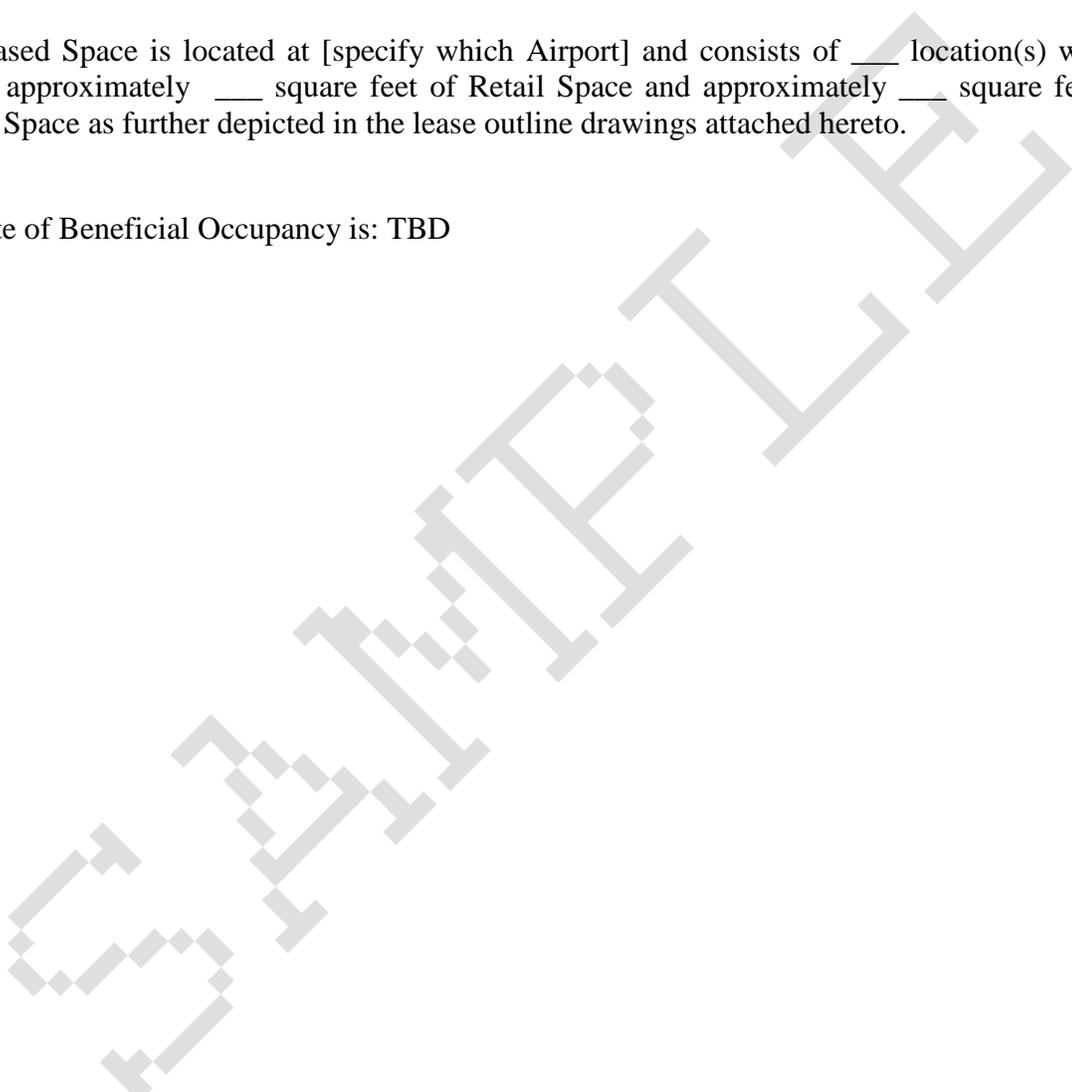


EXHIBIT 2
RENT

1. Base Rent Rate: N/A
2. Percentage Fee: TBD
3. MAG (prorated among Retail Spaces if more than one Retail Space): The MAG for the first and second Years of the Term will be \$75,000. The MAG will be pro-rated in the event the first Lease Year is less than 12 months. In the third and later Lease Years of the Term, the MAG will equal 85% of the Percentage Fee calculated for the prior Lease Year, but will never be less than the MAG for the first full Lease Year or \$75,000.

**EXHIBIT 3
DEVELOPMENT PLAN
(INCLUDING BUDGET IMPROVEMENT COSTS, AND SCHEDULED DBO DATES)**



EXHIBIT 4
CITY'S SHELL AND CORE OBLIGATIONS

Unless expressly stated otherwise below, the City shall have no Shell and Core Obligations.

UNLESS EXPRESSLY STATED OTHERWISE BELOW, THE CITY SHALL HAVE NO SHELL AND CORE OBLIGATIONS.

EXHIBIT 5
PRODUCTS AND PRICE LIST

STUBBLE

EXHIBIT 6
FORM OF LETTER OF CREDIT

STUBBLE

SAMPLE FORM OF LETTER OF CREDIT

Issuing Bank Letterhead

(must be a bank located in the Chicago metropolitan area)

Irrevocable Standby Letter of Credit

Letter of Credit No.

Date: , 20

Chicago Department of Aviation
Chicago's O'Hare International Airport P.O. Box 66142
Chicago, Illinois 60666
Attention: Commissioner

1. We hereby open in your favor, at the request and for the account of this irrevocable standby letter of credit in an aggregate amount not to exceed \$ Dollars ("Stated Amount"), to be available for payment of your drafts drawn at sight on us signed by the Commissioner of the Chicago Department of Aviation, or her designee.
2. Your sight drafts must be accompanied by a written certificate, in the form of Exhibit A attached hereto (the "Certificate") signed and completed by you.
3. Partial and multiple drawings are permitted hereunder.
4. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement referred to herein, or in which this Letter of Credit is referred to, or to which this Letter of Credit relates; and no such reference shall be deemed to incorporate herein by reference any such document, instrument or agreement. The Account Party is not the owner or beneficiary under this Letter of Credit and possesses no interest whatsoever in this Letter of Credit or its proceeds. Further, this Letter of Credit shall not be affected by any bankruptcy or other insolvency proceeding initiated by or against the Account Party.
5. This credit shall expire on , 20____, unless extended as provided herein.
6. It is a condition of this credit that it will be automatically extended without amendment for an additional period of twelve (12) months from the present and each future expiry date, unless, not less than ninety (90) days prior to the then relevant expiry date, we notify you and Corporate Counsel of the City by registered mail, return receipt requested, that we elect not to extend this credit for any additional period. Upon receipt of such a notification you may draw your sight draft on us prior to the then-relevant expiration date for the unused balance of this credit, which shall be accompanied by your signed written statement that you received notification of our election not to extend.
7. Drafts must be marked "Drawn under irrevocable Standby Letter of Credit No. ."

8. We hereby agree to honor each draft drawn under and in compliance with the terms of this credit if duly presented at our offices on or before the close of business on the expiry date.
9. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.
10. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 500, 1993 revision, ("IUCP") and to the Uniform Commercial Code - Letters of Credit, as adopted in Illinois, 810 ILCS 5 -101 et seq., as amended ("UCC"). To the extent that the provisions of the IUCP and UCC conflict, the provisions of the UCC shall govern.
11. We hereby undertake that a draft drawn in conformity with the terms of this Letter of Credit will be duly honored on presentation.

By:

Name:

Title:

**THIS IS AN INTEGRAL PART OF STANDBY LETTER OF CREDIT
NO. _____**

EXHIBIT A

CERTIFICATE FOR DRAWING

The undersigned, the Commissioner of the Chicago Department of Aviation, represents, warrants and certifies to _____ (the "Bank") with reference to Letter of Credit No. _____ issued by the Bank in favor of the City of Chicago (the "Beneficiary") that:

1. A breach of the Lease and License Agreement ("Agreement") dated as of _____, 20____, as amended, modified or supplemented, between the City of Chicago ("City") and _____, an _____, has occurred, or a replacement Letter of Credit in a form and substance satisfactory to the City Comptroller has not been issued to the City by a Financial Institution meeting the requirements set forth in the Agreement. As a result, the City is making demand under the Letter of Credit to pay _____ dollars (\$_____) on the _____ day of _____, 20____.

2. Payment of the draft shall be made by bank wire paid to our account as per our wire instructions below:

_____ (Name of Bank)
_____ (City & State)
_____ (ABA No.)
_____ (Account Name)
_____ (Account No.)
_____ (Reference No., if any)

3. All defined terms used but not defined herein shall have the meaning assigned hereto in the Letter of Credit.

In witness hereof, the City has executed this certificate as of this _____ day of _____, 20____.

CITY OF CHICAGO

BY: _____
Its: Commissioner of Aviation

EXHIBIT 7
INSURANCE REQUIREMENTS

The kinds and amounts of insurance required under this Agreement are as follows:

- a) Workers' Compensation and Employer's Liability. Workers' Compensation and Employer's Liability Insurance, in accordance with the laws of the State of Illinois or any other applicable jurisdiction, covering all employees of Tenant. Employer's liability coverage with limits of not less than \$100,000 for each accident or illness must be included.
- b) Commercial Liability Insurance. Commercial General Liability insurance or equivalent, with limits of not less than \$2,000,000 per occurrence for bodily injury, property damage and personal injury liability. Coverages must include the following: Leased Space and operations; explosions, collapse, and underground hazards; products liability and completed operations; defense; separation of insureds; contractual liability specifically covering this Agreement (with no limitation endorsement); host liquor liability (if applicable). The City and its elected and appointed officials, agents, representatives and employees must be named as additional insureds on a primary, non-contributory basis, for any liability arising directly or indirectly under this Agreement.
- c) Automobile Liability. When any motor vehicles (owned, non-owned or hired) are used in connection with activities conducted under this Agreement, Tenant must provide comprehensive automobile liability insurance against bodily injury and property damage claims, subject to limits of liability of not less than \$1,000,000 per occurrence for non-airfield access, and not less than \$5,000,000 per occurrence for airfield access. The City, and its elected and appointed officials, agents, representatives and employees, must be named as additional insureds on a primary, non-contributory basis, for any liability arising directly or indirectly under this Agreement.
- d) Property. Tenant must maintain all-risk property insurance for the Leased Space including Improvements and betterments, in the amount of their full replacement cost. Coverage extensions must include Business Income and extra expense. The City is to be named as an additional insured and as a loss payee, as its interests may appear. Tenant is responsible for all loss or damage to its personal property including equipment, fixtures and contents.
- e) Liquor Liability. When applicable, Tenant must obtain Liquor Liability Insurance with limits of not less than \$1,000,000 per occurrence, combined single limit. The City, its elected and appointed officials, agents, representatives and employees, must be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from this Agreement or Tenant's operations under this Agreement.
- f) All Risk Blanket Builders Risk. When Tenant undertakes any construction, including Improvements, betterments and/or repairs, Tenant must provide All Risk Blanket Builders Risk Insurance to cover materials, supplies, equipment, machinery and fixtures

that are or will be part of the permanent facility. The City of Chicago must be named as loss payee as its interests may appear.

2) Under no circumstances must Tenant or any Subcontractor actually begin Work (or continue Work, in the case of renewal) or conduct Concession Operations under this Agreement without procuring the required insurance and providing evidence of it to the City. The City reserves the right, in addition to the other rights set forth in this Agreement, to require Tenant to furnish certified copies of the original policies of all insurance required under this Agreement at any time upon 30 days' written notice to Tenant.

3). Tenant must furnish:

- a) the City, Chicago Department of Aviation, Attention: Concessions; O'Hare International Airport, 10510 W. Zemke Rd, Chicago, Illinois 60666; and
- b) the City Management Representative and, if applicable, the City Construction Representative, at the addresses provided by the representatives,

original Certificates of Insurance evidencing the required coverages to be in force on the date of this Agreement, and renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Tenant must submit evidence of insurance on the City's "Insurance Certificate of Coverage Form" or equivalent before the Effective Date of this Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements under this Agreement. The failure of the City to obtain certificates or other insurance evidence from Tenant is not a waiver by the City of Tenant's obligations to obtain and maintain the specified coverages. Tenant must advise all insurers of this Agreement's provisions regarding insurance. Non-conforming insurance will not relieve Tenant of its obligation to provide insurance as specified in this Agreement.

4) The insurance specified above must be carried at all times during the Term of this Agreement. Failure to carry or keep the insurance in force constitutes an Event of Default and does not relieve Tenant from any liability under this Agreement. The City maintains the right to suspend the Tenant's performance and rights under this Agreement, or suspend this Agreement, until proper evidence of insurance is provided. If Tenant fails to maintain the full insurance coverage required under this Agreement, the City may, but is under no obligation to, obtain the required insurance. Payments made by the City regarding the premiums for the insurance become an additional obligation of Tenant, as Additional Rental to be paid under this Agreement, to be repaid in full to the City, payable on demand, with interest at the Default Rate. The insurance policies must provide for 60 days prior written notice to be given to the City at the addresses set forth in Subsection 3 above, if coverage is substantially changed, reduced, canceled, or non-renewed.

5) Tenant must require all Subcontractors to carry the insurance required in this Agreement, or Tenant may provide the coverage for any or all Subcontractors, and, if so, the evidence of insurance submitted must so stipulate.

- 6) Tenant and each Subcontractor agree that their insurers must waive their rights of subrogation against the City, its employees, elected or appointed officials, agents or representatives.
- 7) Tenant acknowledges that any insurance or self-insurance programs maintained by the City apply in excess of and do not contribute to insurance provided by Tenant under the Agreement. Tenant acknowledges that any insurance protection, coverages and limits furnished by Tenant under this Agreement in no way limit Tenant's responsibilities and liabilities under this Agreement or by law.
- 8) Any and all deductibles or self-insured retentions on referenced insurance coverages must be borne solely by Tenant.
- 9) The insurance required to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or by any limitation placed on the indemnity given in this Agreement as a matter of law. If Tenant, or its Subcontractors, desire additional coverage, higher limits of liability, or other modifications for their own protection, Tenant and each of its Subcontractors are responsible for the acquisition and cost of the additional protection. The City's Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements. Notwithstanding anything in this Agreement to the contrary, Tenant may, at its option, include any of the insurance coverage required under this Agreement in either general or blanket policies of insurance. Tenant may use any combination of primary and umbrella (or excess) insurance policies to comply with the insurance requirements set forth above, as long as the resulting insurance coverage is equivalent to the coverages required under this Agreement.

EXHIBIT 8
ACDBE SPECIAL CONDITIONS AND RELATED FORMS



EXHIBIT 9
MBE\WBE SPECIAL CONDITIONS AND RELATED FORMS

EXHIBIT 9