

**EXHIBIT 12**

**AIRPORT CONCESSIONS HANDBOOK**

**AIRPORT CONCESSION PROGRAM  
HANDBOOK**



***CITY OF CHICAGO***

***DEPARTMENT OF AVIATION***

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## **INTRODUCTION:**

The City of Chicago (“City”) and the Chicago Department of Aviation (“CDA”) welcome you to the family of concessionaires operating at the City’s airports. Your concession represents an excellent business and professional opportunity to serve the traveling public as well as operate a profitable enterprise. In order to ensure quality and uniformity among all concessions, we have designed a Concessions Program that is outlined in this handbook. It is important that you review and adhere to these standards as they will serve as tools for the successful operation of your concession.

## **THE CONCESSIONS PROGRAM:**

The CDA’s Airport Concessions Program serves as the primary resource to meet the needs of the traveling public with regard to the provision of quality, reasonably-priced goods and services at Chicago’s airports. To this end, CDA is further responsible for the outreach, selection, coordination and monitoring of concessionaires. In order to fulfill these responsibilities, CDA has several functional units that, as part of their overall duties, operate as liaisons to prospective and existing concessionaires. The primary units and their concession-related functions are as follows:

<u>CDA UNIT</u>	<u>FUNCTIONS</u>
Commissioner’s Office	Policy generation and resolution.
Managing Deputy Commissioner	Overall coordination of revenue, finance, bonding, insurance, property management and concessions functions/issues including merchandising plans, outreach, proposal generation and evaluation contract negotiation, and overall coordination and processing.
Assistant Commissioner	Assist in overseeing Concessions, the monitoring program and general airport guidelines.
Concession Management Representative (“CMR”)	Entity retained by the CDA to assist in overseeing Concessions, including construction of Improvements at the airport.
Planning/Coordinating Architects	Plan and design review; construction coordination and monitoring.
Finance/Revenue	Financial reporting, review and auditing.
Security	Coordination of security identification and other related issues.

## **THE MONITORING PROGRAM:**

The Monitoring Program is designed to provide a process to ensure that concessions operating in the Airports comply with the ordinances and policies of the City, provisions of their respective Lease Agreements and specific airport guidelines as established by the CDA. The primary areas that will be reviewed include financial commitments, maintenance of concession space(s), licensing (where required), and overall adherence to the provisions of the Lease Agreement.

The intent of the Monitoring Program is to benefit the traveling public and other airport visitors, concessionaires and the City.

## **THE PRE-MONITORING PROCESS:**

After a prospective concession is selected by CDA there are five stages that precede the commencement of the Monitoring Program.

### **STAGE 1 - CITY COUNCIL APPROVAL**

Upon completing lease negotiations with the concessionaire, CDA forwards the lease agreement ("Agreement"), signed by the Tenant, to the City's Law Department. After the Law Department's review of the form and legality of the proposed concession agreement, the proposed tenant is introduced to the full City Council. City Council sends the Agreement to the Aviation Committee for review. The Aviation Committee approves, rejects or requests further information. Once approved by the Aviation Committee, the recommendation is forwarded to the full City Council for final approval. In most cases, recommendations submitted to the full Council by Committee are ratified, usually at the next meeting. This approval is documented in the "Journal of Proceedings." The documented approval and contract are then forwarded to the Mayor and other pertinent City departments for execution.

### **STAGE 2 - LEASE AGREEMENT**

The Lease Agreement outlines a concessionaire's contractual relationship with the City. It delineates the responsibilities, expectations and the requirements of both parties, financial and non-financial. During negotiation of the terms of the agreement, you will have cause to interact with individuals from the CDA and the CMR Office. The Managing Deputy Commissioner of Concessions will oversee the processing of the Lease Agreement as well the Monitoring Program.

### STAGE 3 - DESIGN APPROVAL

All concessionaires must submit a conceptual, schematic drawing which shows the general design of the unit. The Planning and Architecture departments will review the concept, and if the approval is given, a letter will be sent giving conceptual approval and requesting 100% architectural drawings including a complete materials board, plans and specifications so the plans meet the CDA requirements and aesthetic appeal. Upon providing approval of the 100% plans, Architecture will send a letter to the concessionaire giving authority to apply to the City Buildings Department for building permits. In no case may construction begin prior to the receipt of this approval. The Planning Unit will also monitor construction in progress.

### STAGE 4 - PRE-CONSTRUCTION APPROVAL

Prior to construction, each concession will meet with the CMR for the purpose of providing the concessionaire with general airport construction guidelines. Examples of these guidelines are locations and times for pick-ups, deliveries, refuse disposal, elevator usage, and badging.

Following the operations meeting, the CMR will schedule a pre-construction meeting with CDA. Prior to the meeting, the General Contractor for the project will submit all documents, permits and approvals to CDA for review. Construction may begin following approval at the pre-construction meeting.

### STAGE 5 - CONSTRUCTION

After the contract is finalized, each concessionaire has a specified period to commence and complete construction based on approved design and construction specifications. During this period each concessionaire has the responsibility to expeditiously begin and obtain all necessary approvals, licenses, insurances, etc. Each concessionaire should maintain communication with the CMR during the process to ensure that all construction and licensing requirements are addressed in a timely fashion. It is important that the concession be open to the public within the time parameters specified in the Agreement.

### **KEY ELEMENTS OF THE MONITORING PROGRAM:**

The Concessions Monitoring Program consists of three primary elements: operations reviews, audits and pricing reports. Operations reviews will be conducted on an ongoing basis by the CMR. The operations review form in Appendix 2 will provide a frame work for this component of the Monitoring Program.

Financial and compliance audits will be conducted on an annual and periodic basis, respectively. Financial audits will review all financial, bonding and insurance related requirements.

As specified in the Agreement, each concession shall submit an annual pricing report.

### PHYSICAL INSPECTIONS

The Monitoring Process will include ongoing site inspection of each concession site by the CMR. Typical inspections will consist of reviews of facilities, general maintenance, employee practices, product/price conformity and space utilization. Inspection staff will use the CMR Operation Review Form (Appendix 2) to record their findings and observations. Reviews will be sent to the concession manager for review and follow-up on all review items. Non-compliance could result in liquidated damages being levied and/or commencement of default proceedings, dependent upon the nature of the violation.

#### FINANCIAL AUDITS

In accordance with the provisions of the standard Concession Lease Agreement, CDA reserves the right to require a certified public and/or City audit of all books, ledgers, journals, accounts and records of its concessions.

#### COMPLIANCE AUDITS

On a regular basis, the CDA will review compliance with insurance coverage, financial commitments and financial reporting requirements. Non-compliance could result in liquidated damages being levied and/or commencement of default proceedings, dependent upon the nature of the violation. Additionally, compliance with ACDBE Special Conditions will be audited.

#### SECRET SHOPPING

The CDA, from time to time, may hire an outside contractor to perform "secret shopping" and evaluate employee performance of each concession location. Such reviews shall be used to monitor customer service and cash handling procedures among other things.

#### **SUMMARY:**

The Monitoring Program will provide a basis of uniformity to all concessions. Adherence to the Concession Lease Agreement as well as the elements of this Handbook will contribute to the successful operation of your business.

The following Appendices will further delineate additional information/requirements stated above.

## APPENDIX 1

### PHYSICAL INSPECTION STANDARDS:

#### FACILITY MAINTENANCE STANDARDS

##### ITEMS:

- Overall appearance
- Cleanliness of counters, displays, floors, fixtures, equipment, etc.
- Litter management/control
- Pest control

##### STANDARD:

- Clean and neat to the eye.
- Free of dust and litter upon inspection.

##### ACTION:

- Expect employees to clean/dust/sweep/vacuum/mop daily.
- Utilize covered metal waste receptacles.
- Have waste receptacles in high traffic areas.
- Empty waste receptacles into designated compactor areas on a regular basis.
- Have grease traps serviced and cleaned as often as necessary.
- Instruct employees to look for and clean problem areas.
- Provide for regular pest control service to sales and storage areas.
- Have a plan/system for emergency clean-ups and replacement of broken or worn fixtures. Report any damage to the premises to CDA and your insurance company (if applicable) immediately.

##### ITEMS:

- Lease line maintenance
- "Pop-out" areas

##### STANDARD:

- All customer lines must be maintained within the Leased area.
- Merchandise and displays must be maintained within the Leased area.
- Solicitation and sampling must be maintained within the Leased area.
- Only CDA approved fixtures may be placed in the pop-out area (if so designated in the Agreement) at the front of the space.

##### ACTION:

- Train employees to direct customer lines so they do not spill out into the public corridor.
- Review tenant design criteria for approved merchandising and fixtures.
- Obtain written approval from CDA prior to adding or removing any merchandise fixtures or other objects within the pop-out area.

**ITEMS:**

Altering of layout  
Renovations/construction Signage/advertising

**STANDARD:**

Written approval, prior to action, by the Commissioner of Aviation.

**ACTION:**

Consider areas for improving the concession location either from layout changes or renovation.  
Submit requested changes for approval with appropriate drawings, etc., to the CMR prior to initiation of the changes.  
All signs must be professionally produced.  
All signs and sign holders must be kept clean and in good repair.  
All signs must be pre-approved by the Commissioner or a representative of the Commissioner.

**ITEMS:**

Properly functioning equipment

**STANDARD:**

Preventative maintenance program.  
Ongoing, reliable, licensed source for immediate repairs.

**ACTION:**

Have employees' spot check all equipment for possible malfunction.  
Maintain a back-up/alternative plan.  
Repair equipment as soon as possible.

**EMPLOYEE STANDARDS**

**ITEMS:**

Courteous and professional appearance  
Proper dress  
Proper identification including CDA security badge  
Customer Service  
Attend customer service meetings, as offered

**STANDARD:**

Employees should be polite and courteous to the traveling public.  
Employees must wear clean and neat uniforms or approved attire.  
Employees must not eat while on duty.  
Employees must display a CDA issued security badge in addition to any other employee identification. Only badged employees may work in the secured portion of the airport.



Employees must be familiar with the Merchant Handbook.

Employees are to offer general public services:

- Making change
- Giving directions

**ACTION:**

Train employees in proper customer service techniques using the Merchant Handbook provided to all companies.

Give all new employees airport tours so they are familiar with the airport layout and available services.

Encourage employees to be polite and courteous.

Provide necessary employee breaks to discourage eating while on duty.

Supply employees with uniforms or at least a written standard, if they are responsible for their own, as well as guidelines for proper maintenance of the uniform.

Supply employees with company identification.

Obtain CDA security badges for all employees.

Supply employees with a company policies and procedures manual so that they know what is expected of them.

**ITEMS:**

Sanitary handling of foods/beverages

Proper cleaning and maintenance of food areas

**STANDARD:**

Employees must handle food in a safe and sanitary manner.

Employees must comply with all company and governmental health regulations and Lease requirements.

**ACTION:**

Provide explicit instructions to employees on the safe and sanitary handling of foods. Obtain and post proper instructions regarding health information available from City, State and Federal sources.

Provide explicit instructions for cleaning food areas in a manner that will not possibly lead to any harmful contamination.

A Certified Food Manager must be on-site during food preparation. A Safe Food Handling Certificate must be posted.

**PRODUCT STANDARDS**

**ITEMS:**

Selling of authorized products only

Adequate inventory level

Proper/professional approved signage

Merchandising

Product pricing

**STANDARD:**

- Only authorized products can be sold as determined in the Lease Agreement.
- Only use professionally produced or printed signage as approved by CDA.
- Merchandising permitted only within the confines of the locations, unless as authorized in writing, by CDA.
- Must adhere to Value Pricing as provided in the Lease Agreement.

**ACTION:**

- Use professionally produced, approved signage only.
- Consider innovative ways to merchandise your products/services.
- Obtain written approval from the Commissioner of Aviation prior to implementing merchandising that will go beyond the confines of your space or that is outside of the terms of the Lease Agreement.
- Maintain adequate inventory levels.
- Notify the Department when adding, deleting or changing merchandise or changing prices.
- Maintain pricing as provided in the Lease Agreement.

**AUXILIARY SPACE STANDARDS**

**ITEM:**

- Storage Area
- Corridors, common areas
- Pick-up, delivery and disposal

**STANDARD:**

- Safe use of storage space.
- Proper storage of potentially flammable items in accordance with fire codes.
- Provide adequate ingress and egress within storage space.
- Clear aisles and corridors.
- Pick-ups and deliveries during designated hours at designated locations as determined by CDA.
- Refuse disposal during designated hours at designated locations as determined by CDA.

**ACTION:**

- Use storage space wisely.
- Maintain a system providing for access by authorized personnel only.
- Report any tampering with or malfunctioning of security locks, gates, etc.
- Keep corridors and common areas free of debris, trash, carts and stock.
- Provide pest control service on a regular basis.
- Refrain from using luggage carts for deliveries.
- Dispose of refuse during designated hours.

## **APPENDIX 2**

CONCESSIONS INSPECTIONS ARE DOCUMENTED USING THE CHICAGO DEPARTMENT  
OF AVIATION'S AIRPORTWARE RETAIL MANAGEMENT SYSTEM FOR AIRPORTS

## **F&B Storage**

### **Dishwashing Area**

Is Dishwashing Area Dry and Clean?

- Debris on floor in dishwash area
- Standing water in dishwash area

### **Documents/Logs**

Are Maintenance Audits Posted and Filled Out?

Are Prices Prominently Marked or Signed?

Is the Business License on-site?

Is the Food Handlers' Certificate Log on-site?

Is the Food Temp Log on-site?

- Food Temps have not been taken/Temps okay

Is the Health Department Inspection Report Posted?

Is the Pest Control Log on-site?

### **Equipment**

Are Refrigerator/Freezer Temps Okay and in Good Repair?

- Cooler needs repair
- External Temp gauges not working
- Freezer needs repair
- Inside of Cooler/Refrigerator/Freezer needs cleaning
- Outside Doors of Refrigerator/Freezer needs cleaning
- Refrigerator needs repair

Are Soda and Condiment Stations Clean and Maintained?

- Needs detail cleaning

Is Cash Register Clean and Maintained?

Is Grill/Cook Line Equipment Clean?

- Equipment needs detail cleaning

Is Ice Machine Clean and in Good Repair?

- Leaking/needs repair
- Mold

### **Exterior**

Are Blade, Facia, and Sign Holders in Good Condition?

Are Hours of Operation Posted?

Are Signs/Items Infringing on Corridor?

Is Façade Clean and Maintained? Is

the Exterior in Good Condition?

### **Interior**

Are Ceilings/Walls/Floors Clean and Maintained?

Are Counters Clean and Maintained?

Are Fixtures and Furniture Clean and Maintained?

Are Light Fixtures and Lights Clean and Maintained?

Are Supplies/Product Raised off the Floor?

Are Trash Receptacles Clean and Maintained?

Is Bar Area Clean and Maintained?

Is Cash Wrap Clean, Free of Debris, and Maintained?

Is Front of House/Dining Area Clean and Maintained?

Is there Adequate Circulation Space for Passenger Traffic?

### **Merchandise/Product**

Are Merchandise/Product Levels Adequate?

## **Pest Control**

Is there Pest Evidence?

- Flies
- Mice
- Mouse Droppings
- Roach Droppings
- Roaches

## **Safe Food Handling**

Does all Food Appear to be Fresh?

Is Safe Food Handling Practiced?

- Food Product
- Personal

Is the Food Service Manager on-site?

## **Safety Requirements**

Are CO2 Tanks Secured?

Are Cleaning Supplies Segregated from Merchandise/Product? Are Exit Sign in Good Condition?

Is Fire Safety Equipment tagged, marked, and unobstructed? (Fire Extinguisher, Ansul System, Sprinkler, Egress, Electrical)

## **Sinks/Plumbing/Drains**

Are Floor Drains clean?

- Drains need cleaning - Drains need cover/screen Hot Water?

Is 3 Compartment Sink working properly?

- 3-Comp. Sink not draining properly
- Clean Grease and debris around grease trap
- Grease trap needs cleaning
- Grease trap needs to be sealed
- Leaking/needs to be sealed
- Standing water

Is Hand Sink working properly?

- Hand Sink not draining properly
- Leaking/needs to be sealed
- Standing water
- Water is not reaching Temp (110) Is Mop Sink working properly?

- Leaking/needs to be sealed
- Mop Sink not draining properly
- Mops not hung properly
- Standing water

## **Staff**

Are All Sales Being Rung Appropriately?

Are Cash Handling Employees working in the Food Prep Area?

Are Employee IDs Visible Above the Waist?

Are Employees Courteous, Informed, and Greeting Customers?

Are Employees Eating or on the Phone?

Are Employees Wearing Appropriate Attire? Are

Off-Shift Staff Affecting On-Shift Staff?

## **Monthly F&B**

### **Dishwashing Area**

Is Dishwashing Area Dry and Clean?

- Debris on floor in dishwash area
- Standing water in dishwash area

### **Documents/Logs**

Are Maintenance Audits Posted and Filled Out?

Are Prices Prominently Marked or Signed?

Is the Business License on-site?

Is the Food Handlers' Certificate Log on-site?

Is the Food Temp Log on-site?

- Food Temps have not been taken/Temps okay

Is the Health Department Inspection Report Posted?

Is the Pest Control Log on-site?

### **Equipment**

Are Refrigerator/Freezer Temps Okay and in Good Repair?

- Cooler needs repair
- External Temp gauges not working
- Freezer needs repair
- Inside of Cooler/Refrigerator/Freezer needs cleaning
- Outside Doors of Refrigerator/Freezer needs cleaning
- Refrigerator needs repair

Are Soda and Condiment Stations Clean and Maintained?

- Needs detail cleaning

Is Cash Register Clean and Maintained?

Is Grill/Cook Line Equipment Clean?

- Equipment needs detail cleaning

Is Ice Machine Clean and in Good Repair?

- Leaking/needs repair
- Mold

### **Exterior**

Are Blade, Facia, and Sign Holders in Good Condition?

Are Hours of Operation Posted?

Are Signs/Items Infringing on Corridor?

Is Façade Clean and Maintained?

Is the Exterior in Good Condition?

### **Interior**

Are Ceilings/Walls/Floors Clean and Maintained?

Are Counters Clean and Maintained?

Are Fixtures and Furniture Clean and Maintained?

Are Light Fixtures and Lights Clean and Maintained?

Are Supplies/Product Raised off the Floor?

Are Trash Receptacles Clean and Maintained?

Is Bar Area Clean and Maintained?

Is Cash Wrap Clean, Free of Debris, and Maintained?

Is Front of House/Dining Area Clean and Maintained?

Is there Adequate Circulation Space for Passenger Traffic?

## **Merchandise/Product**

Are Merchandise/Product Levels Adequate?

## **Pest Control**

Is there Pest Evidence?

- Flies
- Mice
- Mouse Droppings
- Roach Droppings
- Roaches

## **Safe Food Handling**

Does all Food Appear to be Fresh?

Is Safe Food Handling Practiced?

- Food Product
- Personal

Is the Food Service Manager on-site?

## **Safety Requirements**

Are CO2 Tanks Secured?

Are Cleaning Supplies Segregated from Merchandise/Product?

Are Exit Sign in Good Condition?

Is Fire Safety Equipment tagged, marked, and unobstructed? (Fire Extinguisher, Ansul System, Sprinkler, Egress, Electrical)

## **Sinks/Plumbing/Drains**

Are Floor Drains clean?

- Drains need cleaning
- Drains need cover/screen

Are Sinks draining properly?

Hot Water?

Is 3 Compartment Sink working properly?

- 3-Comp. Sink not draining properly
- Clean Grease and debris around grease trap
- Grease trap needs cleaning
- Grease trap needs to be sealed
- Leaking/needs to be sealed
- Standing water

Is Dishwashing Area Dry and Clean?

- Debris on floor in dishwash area
- Standing water in dishwash area

Is Hand Sink working properly?

- Hand Sink not draining properly
- Leaking/needs to be sealed
- Standing water
- Water is not reaching Temp (110)

Is Mop Sink working properly?

- Leaking/needs to be sealed
- Mop Sink not draining properly
- Mops not hung properly
- Standing water

## **Staff**

Are All Sales Being Rung Appropriately?

Are Cash Handling Employees working in the Food Prep Area?

Are Employee IDs Visible Above the Waist?

Are Employees Courteous, Informed, and Greeting Customers?

Are Employees Eating or on the Phone?

Are Employees Wearing Appropriate Attire?

Are Off-Shift Staff Affecting On-Shift Staff?

## **Retail**

### **Documents/Logs**

- Are Maintenance Audits Posted and Filled Out?
- Are Prices Prominently Marked or Signed?
- Is the Business License on-site?
- Is the Food Temp Log on-site?
  - Food Temps have not been taken/Temps okay
- Is the Pest Control Log on-site?

### **Equipment**

- Are Refrigerator/Freezer Temps Okay and in Good Repair?
  - Cooler needs repair
  - External Temp gauges not working
  - Freezer needs repair
  - Inside of Cooler/Refrigerator/Freezer needs cleaning
  - Outside Doors of Refrigerator/Freezer needs cleaning
  - Refrigerator needs repair
- Is Cash Register Clean and Maintained?

### **Exterior**

- Are Blade, Facia, and Sign Holders in Good Condition?
- Are Hours of Operation Posted?
- Are Signs/Items Infringing on Corridor? Is Façade Clean and Maintained?

### **Interior**

- Are Ceilings/Walls/Floors Clean and Maintained?
- Are Counters Clean and Maintained?
- Are Fixtures and Furniture Clean and Maintained?
- Are Light Fixtures and Lights Clean and Maintained?
- Are Supplies/Product Raised off the Floor?
- Are Trash Receptacles Clean and Maintained?
- Is Cash Wrap Clean, Free of Debris, and Maintained?
- Is Front of House/Dining Area Clean and Maintained?
- Is there Adequate Circulation Space for Passenger Traffic?

### **Merchandise/Product**

- Are Merchandise/Product Levels Adequate?

### **Pest Control**

- Is there Pest Evidence?
  - Flies
  - Mice
  - Mouse Droppings
  - Roach Droppings
  - Roaches

### **Safety Requirements**

- Are Cleaning Supplies Segregated from Merchandise/Product? Are Exit Sign in Good Condition?
- Is Fire Safety Equipment tagged, marked, and unobstructed? (Fire Extinguisher, Ansul System, Sprinkler, Egress, Electrical)

### **Staff**

- Are Employee IDs Visible Above the Waist?
- Are Employees Courteous, Informed, and Greeting Customers?
- Are Employees Eating or on the Phone?
- Are Employees Wearing Appropriate Attire?



## **Retail Storage**

### **Documents/Logs**

Are Maintenance Audits Posted and Filled Out?

Are Prices Prominently Marked or Signed?

Is the Business License on-site?

Is the Food Temp Log on-site?

- Food Temps have not been taken/Temps okay

Is the Pest Control Log on-site?

### **Equipment**

Are Refrigerator/Freezer Temps Okay and in Good Repair?

- Cooler needs repair
- External Temp gauges not working
- Freezer needs repair
- Inside of Cooler/Refrigerator/Freezer needs cleaning
- Outside Doors of Refrigerator/Freezer needs cleaning
- Refrigerator needs repair

Is Cash Register Clean and Maintained?

### **Exterior**

Are Blade, Facia, and Sign Holders in Good Condition?

Are Hours of Operation Posted?

Are Signs/Items Infringing on Corridor? Is

Façade Clean and Maintained?

### **Interior**

Are Ceilings/Walls/Floors Clean and Maintained?

Are Counters Clean and Maintained?

Are Fixtures and Furniture Clean and Maintained?

Are Light Fixtures and Lights Clean and Maintained?

Are Supplies/Product Raised off the Floor?

Are Trash Receptacles Clean and Maintained?

Is Cash Wrap Clean, Free of Debris, and Maintained?

Is Front of House/Dining Area Clean and Maintained?

Is there Adequate Circulation Space for Passenger Traffic?

### **Merchandise/Product**

Are Merchandise/Product Levels Adequate?

### **Pest Control**

Is there Pest Evidence?

- Flies
- Mice
- Mouse Droppings
- Roach Droppings
- Roaches

### **Safety Requirements**

Are Cleaning Supplies Segregated from Merchandise/Product? Are

Exit Sign in Good Condition?

Is Fire Safety Equipment tagged, marked, and unobstructed? (Fire Extinguisher, Ansul System, Sprinkler, Egress, Electrical)

### **Staff**

Are Employee IDs Visible Above the Waist?

Are Employees Courteous, Informed, and Greeting Customers?

Are Employees Eating or on the Phone?

Are Employees Wearing Appropriate Attire?

## **Weekly F&B**

### **Dishwashing Area**

Is Dishwashing Area Dry and Clean?

- Debris on floor in dishwash area
- Standing water in dishwash area

### **Documents/Logs**

Is the Food Temp Log on-site?

- Food Temps have not been taken/Temps okay

Is the Pest Control Log on-site?

### **Equipment**

Are Refrigerator/Freezer Temps Okay and in Good Repair?

- Cooler needs repair
- External Temp gauges not working
- Freezer needs repair
- Inside of Cooler/Refrigerator/Freezer needs cleaning
- Outside Doors of Refrigerator/Freezer needs cleaning
- Refrigerator needs repair

### **Interior**

Are Ceilings/Walls/Floors Clean and Maintained?

Is Bar Area Clean and Maintained?

### **Pest Control**

Is there Pest Evidence?

- Flies
- Mice
- Mouse Droppings
- Roach Droppings
- Roaches

### **Safe Food Handling**

Is the Food Service Manager on-site?

### **Safety Requirements**

Are CO2 Tanks Secured?

Are Exit Sign in Good Condition?

Is Fire Safety Equipment tagged, marked, and unobstructed? (Fire Extinguisher, Ansul System, Sprinkler, Egress, Electrical)

### **Sinks/Plumbing/Drains**

Are Floor Drains clean?

- Drains need cleaning
- Drains need cover/screen

Hot Water?

Is 3 Compartment Sink working properly?

- 3-Comp. Sink not draining properly
- Clean Grease and debris around grease trap
- Grease trap needs cleaning
- Grease trap needs to be sealed
- Leaking/needs to be sealed
- Standing water

Is Hand Sink working properly?

- Hand Sink not draining properly
- Leaking/needs to be sealed
- Standing water
- Water is not reaching Temp (110)

Is Mop Sink working properly?

- Leaking/needs to be sealed
- Mop Sink not draining properly
- Mops not hung properly
- Standing water

## APPENDIX 3

### FINANCIAL AUDIT STANDARDS:

In accordance with the provisions of most Concession Lease Agreements, CDA reserves the right to audit and review the records of each concession as they relate to the operation of the concession. Therefore, the following will serve as the standards and practices that will govern those audits/reviews.

#### Lease Fees

Each concessionaire shall submit the rent and fees in accordance with its Agreement.

#### Records

Each concession is required to maintain true and accurate accounts, records, books and data recording all sales made and services performed on the premises for cash, credit or other conveyance including the gross receipts. The following represent appropriate practices that will reflect the prior stated requirements:

- Maintenance of an internal control system (e.g. cash register, point of sale equipment) to insure proper reporting to the City.
- Books, ledgers, journals, accounts and/or records must be maintained according to generally accepted accounting principles.
- Each concession must provide timely submission of the audited "Statement of Sales and Fees" and annual audited financial statements based upon their individual reporting system.
- Other items as required in the Agreement.

#### Insurances

The following insurances are customarily required during the terms of the Agreement and should be maintained at the levels specified by the Agreement:

- Worker's Compensation
- Comprehensive General Liability
- Comprehensive Automobile Liability
- Property Insurance
- Other insurance as required in the Lease Agreement

The City of Chicago will be named as "Additional Insured", with the following language: "The City, and its elected and appointed officials, agents, representatives, and employees shall be named as additionally insureds..."

Security Deposit/Letter of Credit

All concessions must provide a letter of credit or cashier's check per the terms of the Agreement.

## APPENDIX 4

### CONCESSIONS OPERATING STANDARDS:

#### General Airport Guidelines

The following guidelines are examples of the types of issues that will be reviewed with the City's CMR, who will provide each operator with specific guidelines for their concession.

- Pick-up and deliveries to/from specific areas at specified times.
- Refuse disposal at specific and designated areas/times.
- Unauthorized use of restricted Airport areas.
- Adherence to minimum business operating hours.
- Agreement to emergency hours as may be determined by CDA under special conditions.
- Elevator use at designated times.
- Ingress and egress from designated areas, as outlined in Agreement.
- Proper and improper use of signage.

#### Laws and Ordinances

- CDA reserves the right to adopt and enforce reasonable rules and regulations with respect to the use of the Airport, terminal buildings, terminal concourse areas, and related facilities.
- All concessions must observe all laws, ordinances, regulations and rules of the Federal, State, County and Municipal governments which may be applicable to the operation at the Airport.
- Permits and Leases necessary for the operation of the concession areas must be obtained prior to the first day of operation, and renewed annually as needed.

#### Default Notices

The CDA reserves the right to issue a Default Notice to any concessionaire who is not in compliance with the Agreement.

## APPENDIX 5

### KEY DEPARTMENT OF AVIATION PERSONNEL:

<u>NAME/TITLE</u>	<u>TELEPHONE NUMBER</u>
Castalia Serna Deputy Commissioner of Concessions	(773) 894-3059
Glen Ryniewski Assistant Commissioner of Concessions	(773) 686-3730
Drew Homyk Projects Administrator / MDW	(773) 838-3992
Horatio Watson Projects Administrator	(773) 894-3321
Marc Wright Projects Administrator	(773) 894-5422
Russell Johnson Projects Administrator	(773) 686-4899
Michael Stein Projects Administrator	(312) 489-9080

## APPENDIX 6

### KEY CONCESSION MANAGEMENT REPRESENTATIVE (CMR) PERSONNEL:

<u>NAME/TITLE</u>	<u>TELEPHONE NUMBER</u>
Joseph Crump Managing Director	(773) 894-3905 (773) 307-9339 (cell)
Andrew Dordek Director of Retail Operations	(773) 894-5463 (773) 620-0749 (cell)
Andy Nystuen Property Manager / ORD	(773) 894-3908 (312) 978-1145 (cell)
Patricia Grzyb Property Manager / MDW	(773) 838-0733 (312) 907-8820 (cell)
Sungjin Choi Construction and Design Manager	(773) 686-7606 (312) 301-1043 (cell)



## APPENDIX 7

### RULES AND REGULATIONS:

Lessee shall, at all times during the term of the Lease Agreement:

1. Use, maintain and occupy the Premises in a careful, safe, professional and lawful manner. Keep Premises and its appurtenances in a clean and safe condition.
2. Keep all glass in the doors and windows of the Premises clean and in good repair with floor displays and shelving cleaned daily.
3. Not place, maintain or sell any merchandise or place any signage in any vestibule or entry to the public area adjacent to the Premises, or place any signage in the public area adjacent to the Premises, or elsewhere on the outside of the Premises without the prior written consent of the Commissioner.
4. At its own cost, keep Premises in a clean, orderly and sanitary condition, free of insects, rodents, vermin and other pests.
5. Not permit accumulation of garbage, trash, rubbish and other refuse inside or outside the Premises, and keep refuse in closed containers within the interior of the Premises until removed. Not place any rubbish, litter, trash, or material of any nature in the parking areas, exterior areas, entryways, passages, doors, elevators, hallways, or stairways of the Airport. Comply with any recycling program as directed by the Commissioner.
6. Not use, or permit the use of any apparatus or instruments for musical or other sound reproductions or transmissions in such manner that the sound emanating therefrom or caused thereby shall be audible beyond the interior of the Premises, without the prior written consent of the Commissioner.
7. Not use helium balloons and blinking lights.
8. Not cause or permit objectionable odors to emanate from the Premises.
9. Not deliver or permit delivery of merchandise at any time other than those times allowed by the Commissioner or her designated representative.
10. Maintain and keep operational all electric signs, and where applicable, light the show windows and exterior signs of Premises during hours of operation.
11. Use only signage of professional quality. All signage must be approved by the Commissioner or her designated representative. Handwritten signs of any kind are not permitted. Signage or other materials may not be taped to windows.
12. Prominently sign or mark pricing on each product or mark with easily recognizable professional signage.
13. Keep all mechanical apparatus in good working order and free of vibration and noise.
14. Not overload the floors or electrical wiring or install any additional electrical wiring or plumbing without the Commissioner's prior written consent.
15. Not use show windows on the Premises for any purpose other than display of merchandise for sale. Merchandise must be kept in a neat, professional and attractive manner.
16. Not conduct, permit or suffer any public or private action sale to be conducted on or from the Premises.

17. Not solicit business in the common area of the Airport or distribute handbills or other advertising materials in the common area. If this provision is violated, the Lessee shall pay the City the cost of collecting same from the common area for trash disposal. Lessee shall not hold demonstrations in the Premises or any other area of the Airport. Lessee agrees to cooperate and assist the City in the prevention of canvassing, soliciting and peddling within the Premises or Airport.
18. Not use the plumbing facilities in the Premises for any purpose other than that for which they were constructed or dispose of any foreign substance therein, whether through the utilization of "garbage disposal units" or otherwise. If Lessee uses the Premises for the sale, preparation or service of food for on-premises consumption, Lessee shall install such grease traps as shall be necessary or desirable to prevent the accumulation of grease or other wastes in the plumbing facilities servicing the Premises. Lessee shall contract with a grease trap/plumbing service for periodic maintenance of its plumbing facilities. Lessee shall provide the City with a copy of said service contracts.
19. Not operate in the Premises or in any part of the Airport any coin or token operated vending machines or similar devices for the sale of any merchandise or service, except as may be allowed in the Lease Agreement or with the prior written consent of the Commissioner.
20. Not have slot machines, devices, or other gambling games on the Premises or in any part of the Airport without the prior written consent of the Commissioner.
21. Refer all contractors or contractor's representatives rendering any service on or to the Premises for the Lessee, to the City or the CMR for approval before performance of any contractual service provided that they meet insurance requirements.  
  
Lessee's contractors and installation technicians shall comply with the City's rules and regulations pertaining to construction and installation. This provision shall apply to all work performed on or about the Premises or the Airport, including installation of telecommunication devices, electrical devices, attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings and equipment, or any other physical portion of the Premises or project.
22. Keep from public view all personal property, cups, papers, cleaning and other supplies.
23. Not permit employees to eat, drink or sleep in public view.
24. Not at any time occupy any part of the Premises or project as sleeping or lodging quarters.
25. Not place, install or operate on the Premises or in any part of the Airport any engine, stove or machinery, or conduct mechanical operations or cook thereon or therein, or place or use in or about the Premises or project any explosives, gasoline, kerosene, oil, acids, caustics, or any flammable, explosive or hazardous material.
26. Insure that staff members are, at all times, appropriately dressed (as designated in the Lease Agreement) with airport badges in view.
27. Not hold the City responsible for lost or stolen personal property, equipment, money or jewelry from the Premises or the Airport regardless of whether such loss occurs when the area is locked against entry or not.
28. Not have dogs, cats, fowl, or other animals brought into or kept in or about the Premises or Airport.
29. Not use the public restrooms for any purpose other than those for which they were constructed, and any damage resulting to them from misuse or by the defacing or injury of any part of the

building shall be borne by the person who shall cause it. No person shall waste water by interfering with the faucets or otherwise.

30. Not lay floor covering within the Premises without written approval of the Commissioner. The use of cement or other similar adhesive materials not easily removed with water is expressly prohibited.
31. Comply with and ensure that Lessee's employees comply with the City's non-smoking policy for the Airport.
32. Post any Emergency Evacuation Plan adopted by the City. Lessee shall post the Plan in a place which is non-visible to Lessee's customers, but visible to Lessee's employees. Train all employees regarding Lessee's Emergency Evacuation Plan and other emergency procedures.
33. Along with its employees, agents and invitees park their vehicles only in those parking areas allowed by the City. If requested, furnish the City with state automobile Lease numbers of Lessee's vehicles and its employees' vehicles and shall notify the City of any changes within five (5) days after such change occurs. Concessionaire or its employees shall not leave any vehicle in a state of disrepair (including without limitation, flat tires, out-of-date inspection stickers or Lease plates) on Airport property or in its parking areas.
34. Comply with all parking rules and regulations including any sticker or other identification system established by the City. Failure to observe the rules and regulations shall terminate Lessee's right to use the parking area and subject the vehicle in violation of the parking rules and regulations to removal or impoundment. No termination of parking privileges or removal or impoundment of a vehicle shall create any liability on the City or be deemed to interfere with Lessee's right to possession of its Premises. Vehicles must be parked entirely within the parking lines and all directional signs, security notices, arrows and posted speed limits must be observed. Parking is prohibited in areas not striped for parking, in aisles, where "No Parking" signs are posted, on ramps, in cross hatched areas, and in other areas as may be designated by the City. Parking stickers or other forms of identification, if any, supplied by the City, shall remain the property of the City and not the property of Lessee and are not transferable. Every person is required to park and lock his vehicle. All responsibility for

damage to vehicles or persons is assumed by the owner of the vehicle or its driver.

35. Follow all ID Badging procedures as may be required by the Commissioner or her designated representative.
36. Instruct employees to report spills, hazardous conditions and any suspicious activities to the appropriate party as directed by the Commissioner or her designated party.
37. Not use luggage carts for product deliveries.
38. Use only delivery carts and equipment as approved by the Commissioner or her designated party.
39. Use only designated elevators for deliveries.
40. Surrender all keys to the Premises to the Commissioner upon termination of this Lease Agreement.
41. Comply with the City's desire to maintain in the Airport the highest standard of dignity and good taste consistent with comfort and convenience for the Lessee. Any action or condition not

meeting this high standard should be reported directly to the City. Lessee's cooperation will be mutually beneficial and sincerely appreciated.

42. The City reserves the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the Premises and for the preservation of good order therein.

## EXHIBIT 13

### LIQUIDATED DAMAGES

Tenant acknowledges the City's objective to provide the public and air traveler with the level and quality of service as described herein. Accordingly, the City has established liquidated damages and not penalties, as set forth in the table below, that it may assess, in its sole discretion, for various violations of the provisions of this Agreement, the Airport Concession Program Handbook, and/or City Rules and Regulations. Tenant and the City agree that the fines set forth herein are reasonable, and Tenant further agrees to pay to the City in accordance with amounts specified herein upon each occurrence of the specified violation and upon written demand by the City.

Notwithstanding any other liquidated damages provisions provided for in this Agreement, the liquidated damages shown on the table below are intended to reflect the inconvenience to the public and adverse effects on the Airport's operation. Payment of liquidated damages shall not relieve the Concessionaire of responsibility for damage, personal injury, or the harm caused by any of these violations. Tenant further acknowledges that the liquidated damages are not exclusive remedies and the City may pursue other remedies as allowed for in this Agreement and at law, at the Commissioner's or CMR's sole discretion. The City's waiver of any liquidated damages provided for below shall not be construed as a waiver of the violation or Tenant's obligation to remedy the violation.

1. For the first violation of a requirement during any 12-month rolling year, the City will provide written notice to Tenant to correct the violation within the time specified in the notice.
2. For the second and third violation of the same requirement during any 12-month rolling year commencing upon the first notice of violation, liquidated damages shall be immediately assessed with no grace period.
3. Further, after the third violation of the same requirement within any 12-month rolling year, the City reserves the right, in its sole discretion, to deem the repeated violations an Event of Default and to seek any other remedies available to it under this Agreement.

Infraction	1 <sup>st</sup> Violation	2 <sup>nd</sup> Violation*	3 <sup>rd</sup> Violation*
Value Pricing, Article 4.3: Failure to comply with policy referenced	Written Warning	\$250/incident	\$500/incident
Operational Requirements, Article 4.4: Failure to comply with Physical Inspection Standards, failure to offer widely accepted payment methods or receipts; failure to respond to customer or government inquiries	Written Warning	\$250/incident	\$500/incident
Hours of Operation, Article 4.5: Failure to operate during minimum required hours of operation	Written Warning	\$250/incident	\$500/incident
Personnel Standards, Article 4.6: Failure to comply with any of the Standards referenced	Written Warning	\$250/incident	\$500/incident
Operation and Maintenance Standards, Article 4.7: Failure to comply with any of the Standards referenced	Written Warning	\$250/incident	\$500/incident
Refuse Handling, Article 4.9: Failure to comply with trash handling procedures.	Written Warning	\$100/incident	\$250/incident
Signs and Advertising, Article 4.10A: Failure to comply with any sign requirements referenced	Written Warning	\$100/incident	\$250/incident

Work Requirements, Article 5.4(A): Failure to complete improvements to be open for business by scheduled date of beneficial occupancy (DBO)	\$250 per day from scheduled DBO	N/A	N/A
Work Requirements, Article 5.5(l)(iv): Failure to complete punch list items within 30 days following the date on which Tenant opens to the public for business	\$200 per day per item	N/A	N/A

\_\_\_\_\_ (Initial Here)