

RETAIL NEWS & GIFT CONCESSION PROPOSAL

- Concessionaire** : **M/E, INC., a California Corporation**
- Location** : **500 James Fowler Road**
- Contact** : **Name** Phone Fax
Kari Martindale, President. 967-7100 967-3250
- Zoning** : **Airport Facilities, AF**
- Use** : **Non-exclusive operation of an airport newsstand and gift shop serving the traveling public.**
- Premises** : **885 square feet of post-security concession space**
- Term** : **Ten years:**
Initial Term - Commencing upon the adoption of the enabling Ordinance for the purpose of design, permitting, and construction, and ending upon the first day the Premises are open to the public
Primary Term - Commencing upon the date the Premises are open to the public and ending the last day of the month 10 years thereafter
- Obligation to Construct** : **Concessionaire shall expend a minimum investment of \$50 per square foot or \$44,250 for the construction, furnishing and equipping of the 885 square foot retail space. Concessionaire will provide a Schedule of Improvements which will be attached as an Exhibit to the Concession Agreement.**
- Mid Term Refurbishment** : **Concessionaire shall expend a minimum of \$25 per square foot for the refurbishment of the news and gift shop during the sixth year of the agreement.**
- Rent** : **Minimum Annual Guarantee: \$12,000, payable in 12 equal monthly installments of \$1,000 or the percentage rent, whichever is greater.**

Airside – News & Gifts

<i>Gross Receipts:</i>	\$0- \$500,000	\$500,001 - \$750,000	Greater than \$750,000
News	7%	7%	7%
Gifts & Sundries	8%	10%	12%

- Deposit** : **Proposer's Deposit of \$5,000. Proposer will also provide a Surety**

Bond equal to the cost of construction to remain in effect for one year following the issuance of the certificate of occupancy. Proposal Deposit will be returned to Concessionaire once the Surety Bond is in place. A Security Deposit equal to one and one-half month's MAG will be held for the term of the lease and will be adjusted as the MAG is adjusted.

Adjustment of MAG : Annual adjustment of MAG to 85% of the previous years average monthly gross receipts. In no case will the MAG be lower than the MAG established in the first year of the agreement or the preceding year's MAG, whichever is greater.

Obligation of Concessionaire : **Pricing Policy** - The prices charged for food and beverages shall be within ten (10) percent of similar retail establishments in the Santa Barbara metropolitan area. Concessionaire shall conduct periodic market basket comparison studies to verify the prices charged.

Hours of Operation – post-security news & gift shop – 5:00 a.m. to 8:00 p.m., seven days a week

Personnel – Concessionaire's staff shall be of adequate number and competently trained to meet all reasonable demands of the public in a courteous manner.

Shopping Service – City has the right to monitor and test all of Concessionaire's services by retaining a professional shopping service.

Utilities : Concessionaire will pay all charges for utilities.

Solid Waste Strategic Plan : Concessionaire will be required to comply with the Airport's Solid Waste Management Plan and the City's Solid Waste Strategic Plan and will abide by the specific requirements to minimize waste destined for the landfill.

Insurance : \$1,000,000 comprehensive general liability and automobile liability insurance naming City as additional insured. Concessionaire shall also carry Business Interruption Insurance.

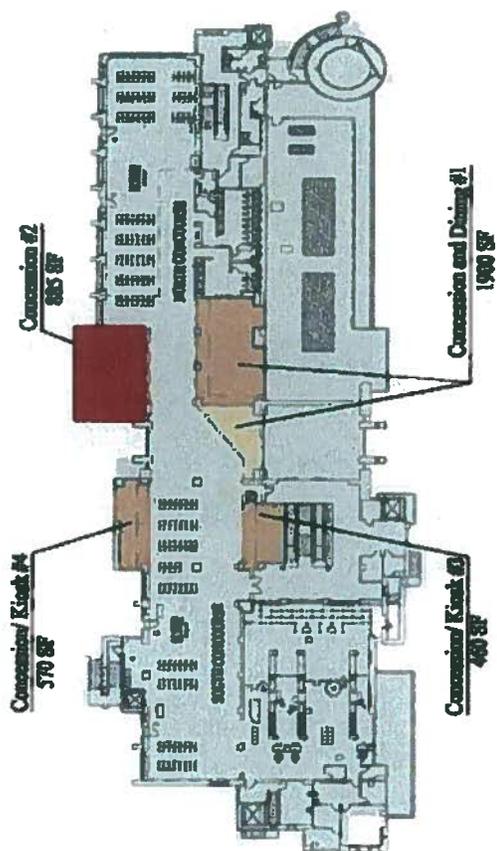
Business License : Must maintain current City Business License.

Possessory Interest : The Concession Agreement may create a possessory interest subject to property taxation. Concessionaire is subject to the payment of property taxes levied on such an interest.

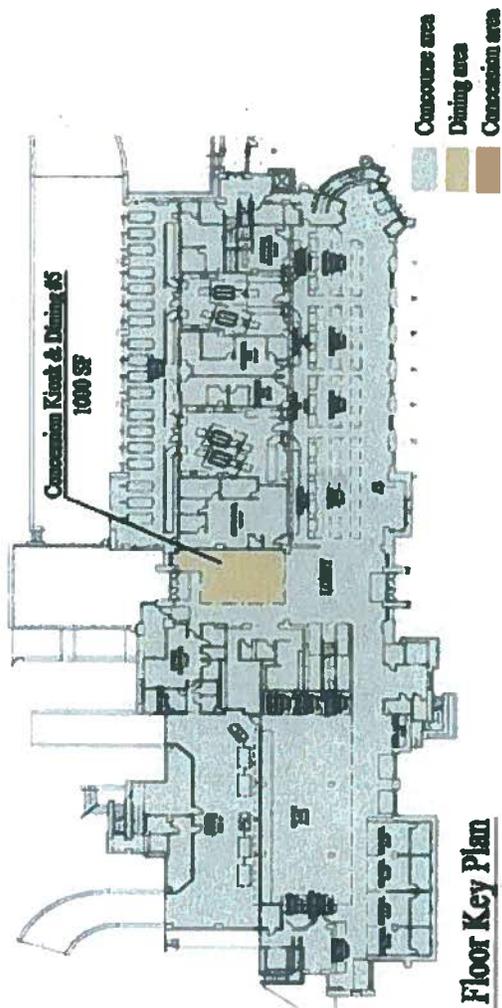
Subleasing : All subleases subject to prior consent by Airport Director.

Parking

: All employee parking must take place within the area designated by the Airport Director for terminal area employees.



Terminal Second Floor Key Plan



Terminal First Floor Key Plan

