

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>* see below</u>	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No _____
 Budget Account No: Fund 4100 Department 120 Unit 8430 RSRC 4461
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

*No fiscal impact is anticipated as result of this Amendment. This Amendment does not provide for a reduction in the minimum annual guarantee payable to the County as result of the termination of the lease as to the Cinnabon unit. Additionally, it is anticipated that customers will elect to purchase food and beverages at the remaining restaurants, resulting in no net loss of concession revenues to the County.

C. Departmental Fiscal Review: CM Simon

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

[Signature] 11/17/11
 OFMB JA
 11/16/11

[Signature] 11/23/11
 Contract Dev. and Control
 11-23-11 P. Wheeler

B. Legal Sufficiency:

This amendment complies with our review requirements.

Anne DeFogant 11/28/11
 Assistant County Attorney

C. Other Department Review:

 Department Director

**NINTH AMENDMENT TO THE LEASE AND CONCESSION AGREEMENT
BETWEEN PALM BEACH COUNTY AND HOST INTERNATIONAL, INC.**

THIS NINTH AMENDMENT TO THE LEASE AND CONCESSION AGREEMENT (this "Amendment") is made and entered into this ____ day of _____, 2011, by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Host International, Inc., a corporation organized under the laws of the State of Delaware, authorized to do business in the State of Florida, and having its office and principal place of business at 6905 Rockledge Drive, Bethesda, MD 20817 ("CONCESSIONAIRE").

WITNESSETH:

WHEREAS, COUNTY, by and through its Department of Airports (the "Department"), owns and operates the Palm Beach International Airport, located in Palm Beach County, Florida (the "Airport"); and

WHEREAS, CONCESSIONAIRE, under that certain Lease and Concession Agreement between the parties dated August 18, 1998 (R-98-1293D), as amended (the "Agreement"), operates the food and beverage concession at the Airport; and

WHEREAS, the parties hereto desire to amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for such other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

1. **Recitals.** The recitals set forth above are true and correct and incorporated herein by this reference. Terms not defined herein shall have the meaning ascribed to them in the Agreement.

2. **Replacement of Exhibit "A".** Exhibit "A" to the Agreement is hereby deleted in its entirety and replaced with Exhibit "A" to this Amendment.

3. **Cinnabon.** Within ninety (90) days of the effective date of this Amendment, CONCESSIONAIRE shall restore Concession Area M-2 (Cinnabon) to "white box condition" by completing the items listed in the attached Exhibit "1" ("Transition List"), at CONCESSIONAIRE's sole cost and expense. Upon completion of the items in the Transition List and written notification of acceptance of Concession Area M-2 by the Department, Concession Area M-2 shall be automatically removed from the Assigned Premises without further amendment to the Agreement, whereupon the parties shall be relieved of all further obligations under the Agreement with respect to Concession Area M-2 with the exception of those obligations accruing prior to acceptance of Concession Area M-2 by the Department or which expressly survive the expiration or earlier termination of the Agreement. The Department's acceptance of Concession Area M-2 shall not be unreasonably withheld, conditioned or delayed.

4. **Replacement of Article 6.05.** Article 6.05, Mid-term Refurbishments/Improvements, of the Agreement is hereby deleted in its entirety and replaced with the following:

6.05 Mid-term Refurbishments/Improvements.

A. First Additional Investment.

1. CONCESSIONAIRE shall expend a minimum of Two Million Eight Hundred Fifty Thousand Dollars (\$2,850,000) ("First Additional Investment") on or before September 30, 2010, on the Refurbishment (as hereinafter defined) of the Assigned Premises, and the design, construction and installation of the two (2) Starbucks Coffee locations, Quiznos Subs, Nick's Tomato Pie and Chili's Too. For purposes of this

Article 6.05, "Refurbishment" shall mean all costs associated with Leasehold Improvements made for the purpose of introducing new concepts, updating, reconditioning and/or improving the Assigned Premises.

2. In the event the Cost Report (as hereinafter defined) indicates that CONCESSIONAIRE did not satisfy its investment obligations under this Article 6.05(A), the Third Additional Investment (as hereinafter defined) shall be increased by the difference between \$2,850,000 and the amount actually expended by CONCESSIONAIRE as determined by the Cost Report.

B. Second Additional Investment.

1. CONCESSIONAIRE shall expend a minimum of Two Hundred Fifty Thousand Dollars (\$250,000) ("Second Additional Investment") on the Refurbishment of the Assigned Premises on or before September 30, 2012.
2. CONCESSIONAIRE may count costs incurred toward completing the Transition List items associated with Concession Area MT-2 in an amount not to exceed Thirty Five Thousand (\$35,000), subject to the limitations set forth in Article 6.05(E) below.
3. In the event the Cost Report indicates that CONCESSIONAIRE did not satisfy its investment obligations under this Article 6.05(B) on or before September 30, 2012, COUNTY may, in its sole and absolute discretion, require CONCESSIONAIRE to remit the difference to COUNTY, or require CONCESSIONAIRE to expend the difference on the Refurbishment of the Assigned Premises as part of a future required investment.

C. Third Additional Investment

1. CONCESSIONAIRE shall expend a minimum of Two Hundred Fifty Thousand Dollars (\$250,000) ("Third Additional Investment") on the Refurbishment of the Assigned Premises on or before September 30, 2015.
2. In the event the Cost Report indicates that CONCESSIONAIRE did not satisfy its investment obligations under this Article 6.05(C) on or before September 30, 2015, COUNTY may, in its sole and absolute discretion, require CONCESSIONAIRE to remit the difference to COUNTY, or require CONCESSIONAIRE to expend the difference on the Refurbishment of the Assigned Premises as part of a future required investment.

D. Fourth Additional Investment.

1. CONCESSIONAIRE shall expend a minimum of Five Hundred Thousand Dollars (\$500,000) ("Fourth Additional Investment") on the Refurbishment of the Assigned Premises on or before September 30, 2019.
2. In the event the Cost Report indicates that CONCESSIONAIRE did not satisfy its investment obligations under this Article 6.05(D) on or before September 30, 2019, COUNTY may, in its sole and absolute discretion, require CONCESSIONAIRE to remit the difference to COUNTY, or require CONCESSIONAIRE to expend the difference on the Refurbishment of the Assigned Premises prior to the expiration of the Agreement.

- E. Limitations on Professional Services Costs. For purposes of the investment requirements set forth in Articles 6.05(A)-(D) above, allowable Refurbishment costs shall include payments made by CONCESSIONAIRE to independent contractors for engineering, inspections, construction management services, and architectural design services ("Professional Services"); provided, however, such costs shall be limited to twelve percent (12%) of the total amount expended by CONCESSIONAIRE toward satisfaction of the then current investment requirement. For example, if CONCESSIONAIRE incurred Three Million Dollars (\$3,000,000) in costs for the First Additional Investment; CONCESSIONAIRE would be permitted to count Three Hundred Sixty Thousand Dollars (\$360,000) worth of Professional Services costs.
- F. Cost Reports.
1. CONCESSIONAIRE shall provide to COUNTY an audit report on the Leasehold Improvement and Refurbishment costs incurred by CONCESSIONAIRE ("Cost Report") pursuant to Articles 6.05(A)-(E), which shall include a schedule detailing the costs incurred by location, on or before: (i) February 1, 2012 for the First Additional Investment; (ii) December 31, 2012 for the Second Additional Investment; (iii) December 31, 2015 for the Third Additional Investment; and (iv) December 31, 2019 for the Fourth Additional Investment. The Cost Report shall be prepared by an independent Certified Public Accountant, not a regular employee of CONCESSIONAIRE, in accordance with Generally Accepted Auditing Standards prescribed by the American Institute of Certified Public Accountants or any successor agency thereto. The audit report shall be in a form reasonably acceptable to the Department. The Cost Report shall include an opinion on the schedule of costs incurred by location. Delivery of a Cost Report containing a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public Accountants or any successor agency thereto, shall be deemed to be a material breach of this Agreement.
 2. Within ninety (90) days after the completion of any Leasehold Improvement or Refurbishment project other than those described in Articles 6.05(A)-(D), CONCESSIONAIRE shall provide to COUNTY a Cost Report, which shall include a schedule detailing the costs incurred by location and be prepared in accordance with the requirements of Article 6.05(F)(1) above.
 3. In addition to the Cost Reports required by this Article 6.05(F), CONCESSIONAIRE shall deliver a depreciation schedule for all Leasehold Improvements (as defined for purposes of Article 6.06) by location calculated in accordance with the requirements of Article 6.06(C). The depreciation schedule shall be updated and delivered to COUNTY concurrent with the delivery of each Cost Report.
- G. Nature of Required Capital Investments/Removal of Improvements. The parties acknowledge and agree that the capital investment requirements set forth in this Article 6.05 shall not be considered rental with the exception of any monetary payments required to be made by CONCESSIONAIRE to COUNTY. CONCESSIONAIRE acknowledges that COUNTY has the right to have the Assigned Premises returned free and clear of some or all of the Leasehold Improvements pursuant to Article XIV, including Leasehold Improvements constructed pursuant to Article 6.05. CONCESSIONAIRE further acknowledges that the Leasehold Improvements will likely be so closely associated with certain brand concepts of a franchise that COUNTY will require all or a portion of the Leasehold Improvements to be removed prior to the end of the term of the Agreement in order to make the Assigned Premises ready for the introduction of new brands and concepts.

- H. Approval of Improvements. COUNTY shall have final approval over all improvements made under this Agreement, including approval over architectural and aesthetic matters. Notwithstanding any provision of this Agreement to the contrary, all Refurbishments and Leasehold Improvements must be approved by COUNTY and be constructed pursuant to COUNTY-approved plans in order to be counted toward the satisfaction of the investment requirements set forth in this Article 6.05.
- I. Additional Mid-Term Investment. In order to ensure the concession areas within the Assigned Premises remain in first class condition throughout the Term of this Agreement, the parties acknowledge and agree that Refurbishment of concession areas within the Assigned Premises may be necessary during the last ten (10) years of this Agreement, which will require an investment in the Assigned Premises in excess of the amounts provided for in this Article 6.05. COUNTY agrees to reimburse CONCESSIONAIRE, or cause CONCESSIONAIRE to be reimbursed, for any unamortized costs of Leasehold Improvements remaining after the expiration of the Primary Term, which are constructed or installed within the concession areas of the Assigned Premises within the last ten (10) years of this Agreement at COUNTY's written request. Reimbursement shall be determined in accordance with Article 6.06(C) and shall be made within one hundred twenty (120) days after the expiration of the Primary Term. Notwithstanding the foregoing, COUNTY shall have no obligation whatsoever to reimburse CONCESSIONAIRE, or cause CONCESSIONAIRE to be reimbursed under this Article 6.05(I), for: (i) any Leasehold Improvements that are not specifically constructed or installed at COUNTY's written request; or (ii) any Leasehold Improvements made by CONCESSIONAIRE to satisfy its investment requirements under this Article 6.05 whether or not such Leasehold Improvements are requested by COUNTY. Approval of plans, specifications, design, décor, construction or installation of Leasehold Improvements alone shall not be deemed to be a request by COUNTY for the construction or installation of Leasehold Improvements pursuant to this paragraph. For purposes of this paragraph, the term "Leasehold Improvements" shall not include Routine Refurbishment (as defined in Article 6.05(M)), maintenance or repair, removable furnishings and equipment, trade fixtures, supplies or Smallwares.
- J. Design of Terminal. All Leasehold Improvements shall take into account the design and décor of the Terminal. The requirements of this Article 6.05 shall be in addition to the maintenance and repair requirements contained in Article 8.03 of this Agreement and the cost of such maintenance and repair shall not be counted toward satisfaction of the investment requirements set forth in this Article 6.05.
- K. Construction Requirements. CONCESSIONAIRE shall complete all Leasehold Improvements to the Assigned Premises at its sole cost and expense. All Leasehold Improvements shall be of attractive construction and first-class design; shall comply with any and all applicable governmental laws, regulations, rules and orders; shall follow standard construction methods; and shall be constructed in accordance with the plans and specifications approved by the Department. Full and complete plans and specifications for all Leasehold Improvements shall be submitted to and subject to the written approval of the Department prior to commencement of construction in accordance with the following procedures:
1. CONCESSIONAIRE shall prepare detailed preliminary construction plans and specifications for all Leasehold Improvements in accordance with the standards furnished by the Department and deliver the same to the Department for review, comment and adjustment. The Department shall review any plans and specifications submitted by CONCESSIONAIRE and provide a response to CONCESSIONAIRE within thirty (30) days of receipt. In the event the preliminary plans and specifications are disapproved by the Department, CONCESSIONAIRE will be notified in writing and the notice shall specify in detail the reasons for the disapproval and the necessary modifications and/or alterations.

CONCESSIONAIRE shall resubmit modified plans and specifications to the Department within thirty (30) days of the Department's written notice of disapproval. Within thirty (30) days of approval of any preliminary plans and specifications, CONCESSIONAIRE shall cause final working plans and specifications to be prepared and submit the same to the Department and other appropriate governmental agencies for approval. The Department's review of the final working plans and specifications shall be completed within fifteen (15) days of receipt. Upon approval by the Department, CONCESSIONAIRE shall obtain all necessary permits required for commencement of construction. Prior to commencement of construction, CONCESSIONAIRE shall deliver to the Department one (1) complete set of final working plans and specifications as approved by the governmental agencies exercising jurisdiction thereover.

2. Except as otherwise provided for herein, CONCESSIONAIRE shall complete all Leasehold Improvements pursuant to the approved plans and specifications within two hundred forty (240) days of CONCESSIONAIRE's receipt of all necessary governmental permits and approvals, unless otherwise approved in writing by the Department. During construction, CONCESSIONAIRE shall hire a professional special inspector to conduct inspections as requested by the Department or COUNTY building officials.
3. Upon completion of approved construction pursuant to this Article 6.05(K) and within sixty (60) days of CONCESSIONAIRE's receipt of a certificate of occupancy, CONCESSIONAIRE shall deliver one (1) complete set of as-built mylar drawings and one (1) set of Auto CADD files in the latest version acceptable to the Department.
4. The requirements of Articles 6.02 and 6.03 shall apply to all Leasehold Improvements constructed within the Assigned Premises, including Leasehold Improvements constructed pursuant to this Article 6.05.

L. No Liens. CONCESSIONAIRE covenants and agrees that nothing contained in this Agreement shall be construed as consent by COUNTY to subject the estate of COUNTY to liability under the Construction Lien Law of the State of Florida. CONCESSIONAIRE shall notify any and all parties or entities performing work or providing materials relating to any improvements made by CONCESSIONAIRE of this provision of this Agreement. If so requested by the COUNTY, CONCESSIONAIRE shall file a notice satisfactory to COUNTY in the Public Records of Palm Beach County, Florida, stating that COUNTY's interest shall not be subject to liens for improvements made by CONCESSIONAIRE. In the event that a construction lien is filed against the Assigned Premises or other COUNTY property in connection with any work performed by or on behalf of CONCESSIONAIRE, CONCESSIONAIRE shall satisfy such claim, or transfer same to security within ten (10) days, or COUNTY may do so and thereafter charge CONCESSIONAIRE, and CONCESSIONAIRE shall promptly pay to the COUNTY upon demand all costs incurred by COUNTY in connection with the satisfaction or transfer of such claim, including, but not limited to, attorney's fees.

M. Routine Refurbishment. On or about the commencement of each calendar year, representatives of COUNTY and CONCESSIONAIRE shall tour the Assigned Premises and jointly agree upon what, if any, Routine Refurbishment (as hereinafter defined) is required to maintain the Assigned Premises in first-class condition, and CONCESSIONAIRE shall promptly undertake such Routine Refurbishment at its sole cost and expense. For purposes of this Agreement, "Routine Refurbishment" shall mean the routine repainting or redecoration of the Assigned Premises, including the repair of worn carpet, tile, furnishings, fixtures, finishes or equipment.

5. **Replacement of Articles 6.06.** Article 6.06, COUNTY'S Right to Reclaim Concession Areas, of the Agreement is hereby deleted in its entirety and replaced with the following:

6.06 COUNTY's Right to Reclaim Concession Areas. During the Primary Term of this Agreement, COUNTY shall have the right to terminate CONCESSIONAIRE's right to use and occupy any concession areas leased hereunder, in whole or in part, in accordance with the provisions of this Article 6.06 prior to the expiration of the Primary Term ("Recaptured Premises"). Notwithstanding the foregoing, COUNTY agrees that it shall not exercise its termination rights under this Article 6.06 for the sole purpose of leasing the Recaptured Premises to another food and beverage concessionaire, unless COUNTY is required by law or the United States Department of Transportation or any of its agencies, including the Federal Aviation Administration, to grant another food and beverage concessionaire the right to provide services at the Airport. Nothing in this Article 6.06 shall be construed as giving CONCESSIONAIRE an exclusive right to operate food and beverage concessions at the Airport or as precluding COUNTY from leasing the Recaptured Premises to another concessionaire who offers food and beverages for sale to the public as an incidental part of its overall concession operation.

- A. In the event COUNTY terminates CONCESSIONAIRE's right to use and occupy any concession area leased hereunder, COUNTY shall reimburse, or cause CONCESSIONAIRE to be reimbursed for the unamortized cost of the Leasehold Improvements located within the Recaptured Premises. Reimbursements made pursuant to this Article 6.06 shall be payable within ninety (90) days of the date of CONCESSIONAIRE's surrender of the Recaptured Premises to COUNTY. Unamortized costs for Leasehold Improvements shall be determined in accordance with the provisions of Article 6.06(C) below.
- B. COUNTY shall give CONCESSIONAIRE at least six (6) months prior written notice of COUNTY's decision to terminate CONCESSIONAIRE's right to use and occupy any concession area leased hereunder.
- C. The unamortized costs of Leasehold Improvements shall be determined by their Net Book Value. For purposes of this Agreement, "Net Book Value" means the value of all Leasehold Improvements, including associated design, architectural, engineering and construction management fees (not to exceed 12% of the total Leasehold Improvement cost); less any accumulated depreciation. For purposes of this Article 6.06, accumulated depreciation shall be calculated on a straight line basis over the number of years from the asset in-service date to the end of the Primary Term. For purposes of Article 6.05(I), accumulated depreciation shall be calculated on a straight line basis over a ten (10) year period from the asset in-service date. Accumulated depreciation shall also include any pro rata annual depreciation for any periods less than a year calculated on a monthly basis, rounded up to the nearest whole monthly period.

- D. The Minimum Annual Guarantee shall be reduced as hereinafter provided, unless the parties negotiate an amendment to this Agreement for the relocation of CONCESSIONAIRE's operations from the Recaptured Premises to another location within the Terminal. The Minimum Annual Guarantee reduction shall become effective on the date of surrender of the Recaptured Premises by CONCESSIONAIRE and shall be calculated as follows:

Minimum Annual Guarantee x $\frac{\text{Percentage Payment Attributable to Recaptured Premises for Prior Year}}{\text{Prior Year's Total Percentage Payment}}$
(as of the date of surrender)

Example of Minimum Annual Guarantee reduction calculation:

Minimum Annual Guarantee is \$3,000,000 as of the date the Recaptured Premises are surrendered to COUNTY. The prior year's total Percentage Payment was \$2,000,000. The portion of the total Percentage Payment attributable to the Recaptured Premises was \$200,000 or 10% of the total Percentage Payment. The Minimum Annual Guarantee would be reduced by 10% or \$300,000; therefore, the Minimum Annual Guarantee would be \$2,700,000. (Stated numerically: $\$3,000,000 \times \frac{\$200,000}{\$2,000,000} = \$2,700,000$).

Notwithstanding the foregoing, the Minimum Annual Guarantee shall continue to be adjusted in accordance with Article IV, subject to the reduction provided for in this Article 6.06.

- E. Upon receipt of reimbursement for any unamortized costs, CONCESSIONAIRE shall provide COUNTY with a bill of sale or other evidence of the transfer of ownership of the Leasehold Improvements to COUNTY, together with evidence satisfactory to COUNTY that Leasehold Improvements are free from liens, mortgages and other encumbrances.
- F. The provisions of this Article 6.06 shall not apply to early termination of CONCESSIONAIRE's right to use and occupy any part(s) of the Assigned Premises due to CONCESSIONAIRE's default or noncompliance with this Agreement or to any voluntary relocation or return of concession area by CONCESSIONAIRE. Notwithstanding any provision of this Agreement to the contrary, the provisions of this Article 6.06 shall only apply to the termination of CONCESSIONAIRE's right to use and occupy permanent concession areas included in the Assigned Premises prior to the expiration of the Primary Term and shall not apply to office, storage or temporary concession areas.
- G. For purposes of this Article 6.06, the term "Leasehold Improvements" shall not include Routine Refurbishment (as defined in Article 6.05(M)), maintenance or repair, removable furnishings and equipment, trade fixtures, supplies or Smallwares.
- H. For purposes of this Agreement, the parties acknowledge the Net Book Value, as of March 27, 2009, of the following Concession Areas to be:

Concession Area	Net Book Value as of March 27, 2009
Rooney's Public House (Concession Area M-1)	\$535,481.10
Cinnabon (Concession Area M-2)	\$144,200.38
Sam Snead's Tavern (Concession Area M-3)	\$741,117.95
California Pizza Kitchen (Concession Area M-4)	\$366,156.90
Starbucks (Concession Area M-4)	\$117,547.67
Nick's Tomato Pie (Concession Area B-2)	\$0
Burger King (Concession Area B-2)	\$161,006.59
Nick's Tomato Pie (Concession Area C-3)	\$197,779.97

In accordance with Article 6.05(F)(3) of the Agreement, CONCESSIONAIRE shall update the inventory of Leasehold Improvements and depreciation schedule ("NBV Schedule"), attached hereto as Exhibit "B", upon completion of additional Leasehold Improvements to the Assigned Premises. CONCESSIONAIRE shall deliver the updated NBV Schedule to the Department for review and approval concurrent with delivery of the Cost Report(s) required pursuant to Article 6.05(F). The Net Book Value of all Leasehold Improvements shall be determined in accordance with Article VI of this Agreement.

6. Replacement of Article 26.02. Article 26.02, Adjustment of Rental for Office Area, of the Agreement is hereby deleted in its entirety and replaced with the following:

26.02 Adjustment of Rental for Office Area. Each October 1st, the rental rates applicable to office areas shall be adjusted in accordance with the Airline-Airport Use and Lease Agreement adopted by COUNTY's Board of County Commissioners ("Board") pursuant to Resolution No. 2006-1906, as such agreement may be amended from time to time or any successor resolution or agreement adopted by the Board establishing rental rates for similar space within the Terminal ("Airline Agreement"). Office areas shall be considered Type Two (2) space (as defined in the Airline Agreement) and rental rates for such areas shall be based upon the Terminal rental rates applicable to Signatory Airlines. Notwithstanding any provision of this Agreement to the contrary, CONCESSIONAIRE acknowledges and agrees that COUNTY shall have the right to establish and maintain rental rates under this Agreement to ensure compliance with the provisions of Section 710 of the Bond Resolution.

7. Ratification of Agreement. Except as specifically modified herein, all of the terms and conditions of the Agreement shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto. The parties acknowledge and agree that the NBV Schedule (Exhibit "B") attached to that certain Eighth Amendment to the Agreement (R-2009-1397) dated September 1, 2009, has not been modified by this Amendment and will be updated with the Cost Report to be submitted for the First Additional Investment.

8. Conflict. In the event of a conflict between any provision of this Amendment and the provisions of the Agreement, or any other amendment thereto, the provisions of this Amendment shall control.

9. Incorporation by Reference. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Amendment by such reference.

10. Paragraph Headings. The heading of the various sections of this Amendment are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Amendment or the Agreement.

11. Inspector General. CONCESSIONAIRE acknowledges that the Palm Beach County's Office of Inspector General is authorized to review past, present and proposed COUNTY contracts, transactions, accounts, and records. The Inspector General's authority includes, but is not limited to, the power to audit, investigate, monitor and inspect the activities of entities contracting with COUNTY, or anyone acting on their behalf, in order to ensure compliance with contract requirements and to detect corruption and fraud.

12. Effective Date. This Amendment shall be considered effective when signed by all parties and approved by the Palm Beach County Board of County Commissioners.

{Remainder of page intentionally left blank.}

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first above written.

ATTEST:
Sharon R. Bock, Clerk and Controller
Board of County Commissioners

PALM BEACH COUNTY, a political
subdivision of the State of Florida, by its

By: _____
Deputy Clerk


By: _____
Chair

(SEAL)

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

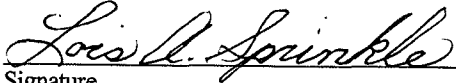
APPROVED AS TO TERMS
AND CONDITIONS


By: _____
County Attorney

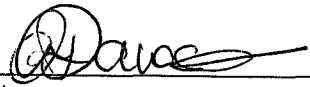
By: 
Director - Department of Airports

Signed, sealed and delivered in the
presence of two witnesses for
CONCESSIONAIRE:

CONCESSIONAIRE:
Host International, Inc.,
a Delaware Corporation


Signature
Lois A. Sprinkle
Name (type or print)

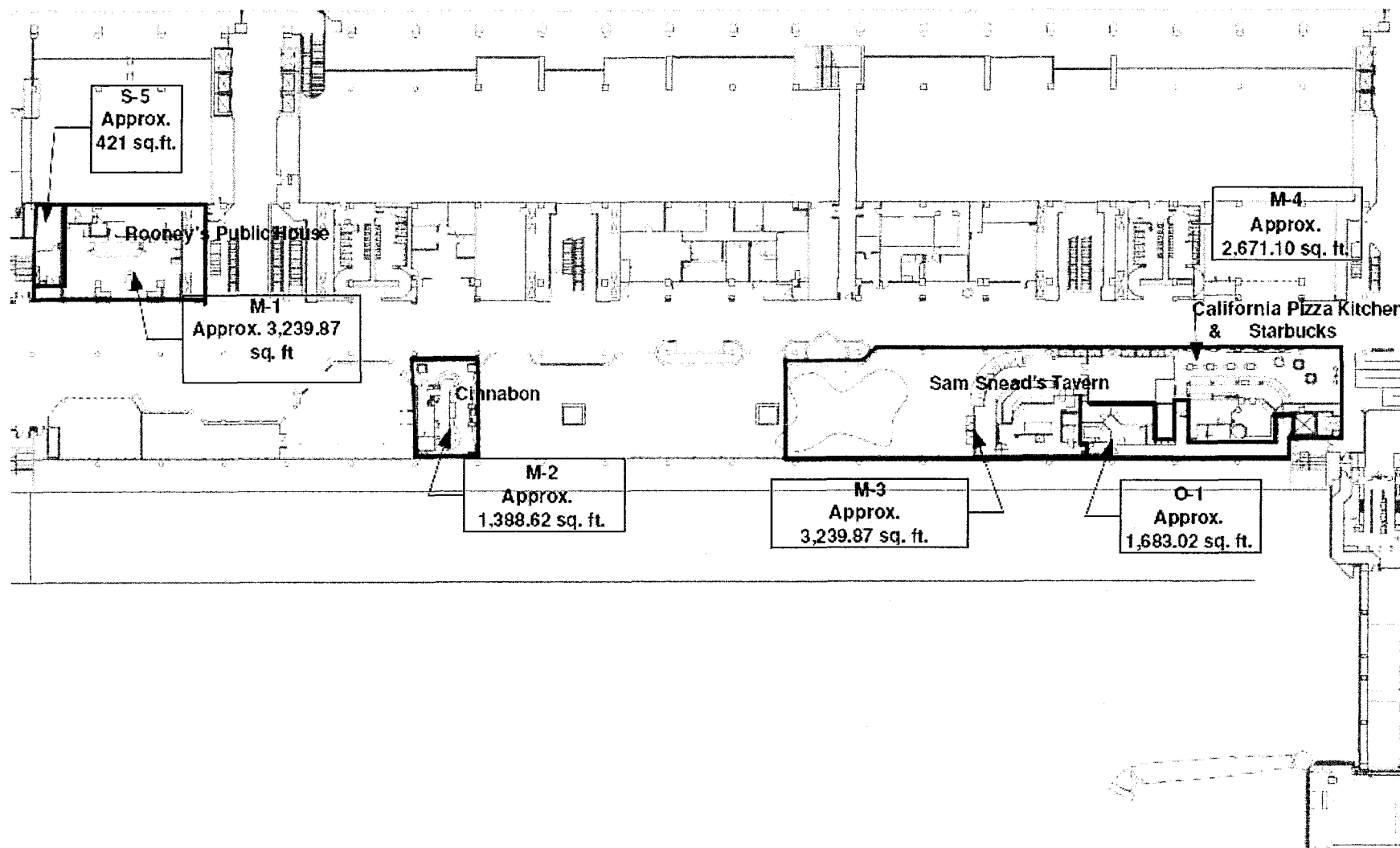
By: 
RICHARD M. IAPICCA
Authorized Signatory
Name (type or print)


Signature
A. DAWSON
Name (type or print)

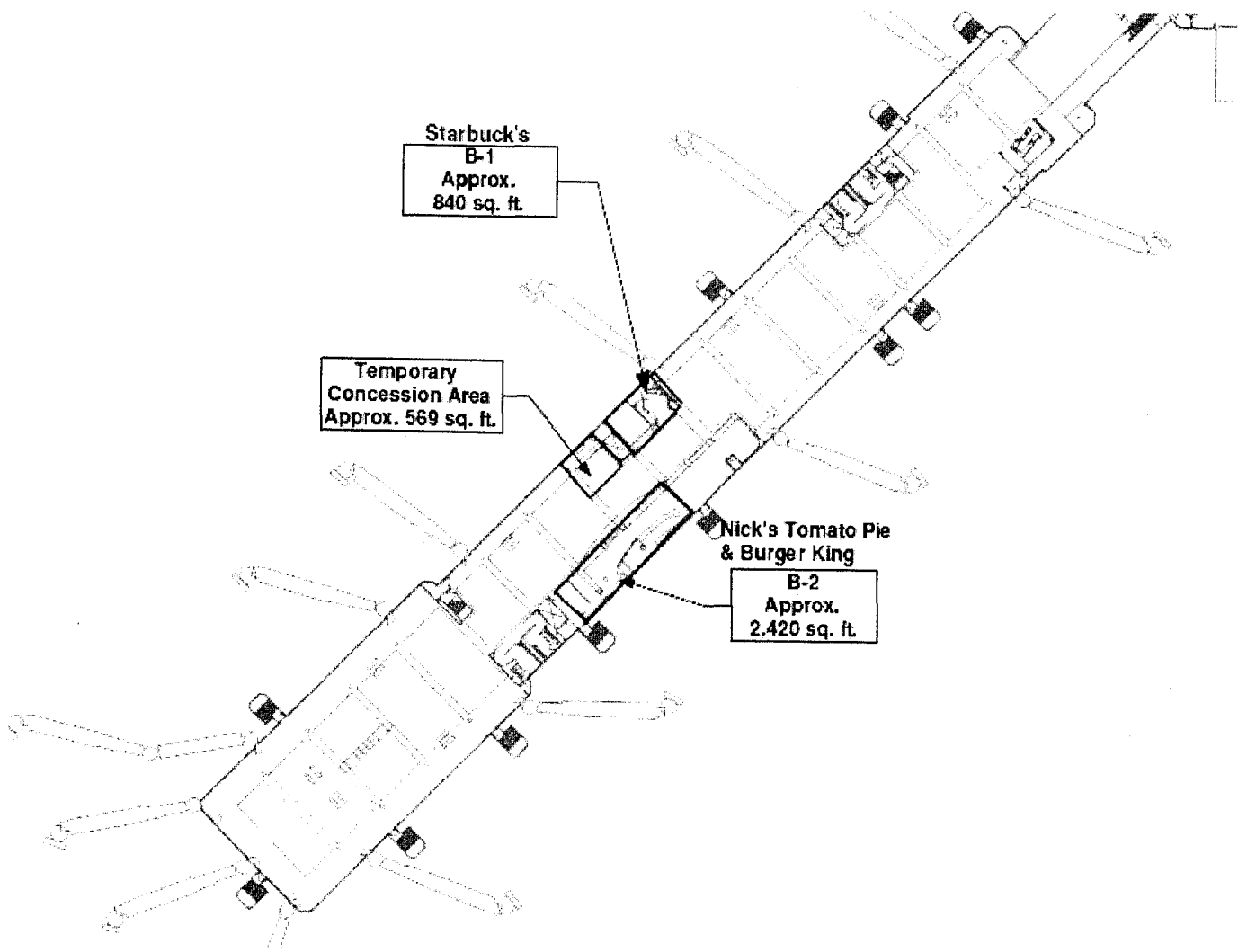
Title

(Corporate Seal)

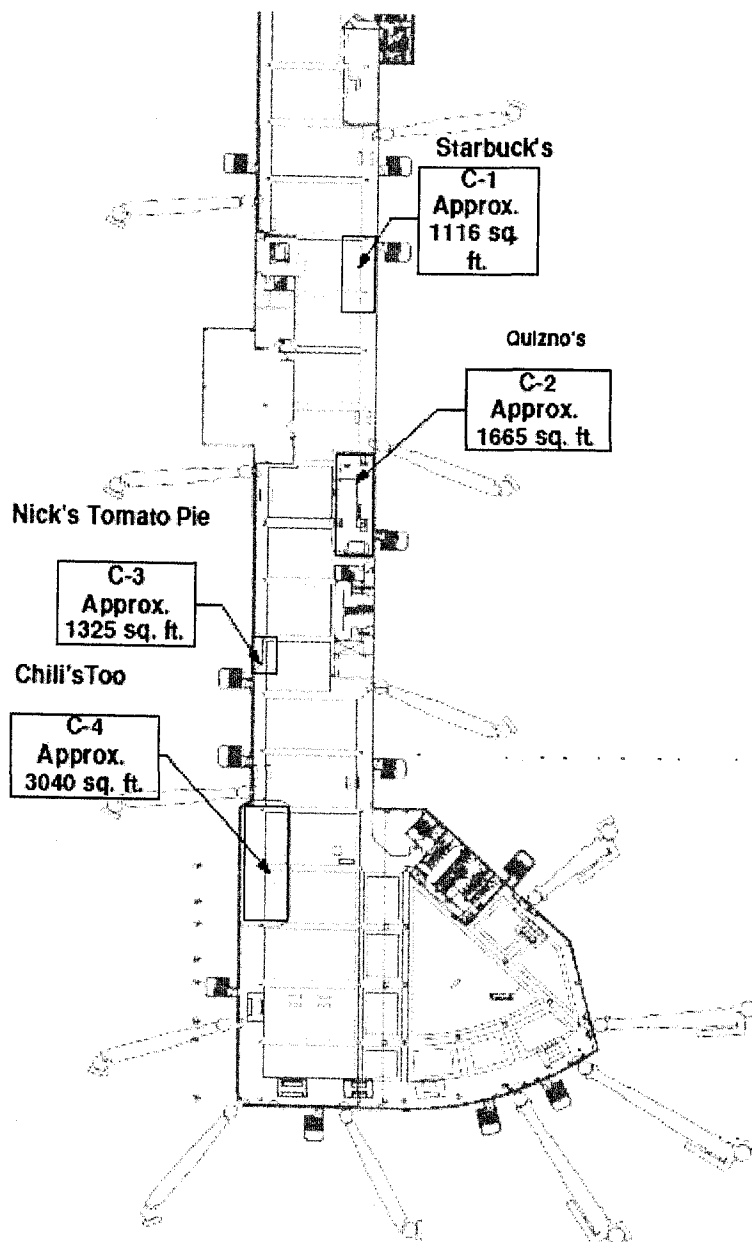
Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
Main Terminal - 2nd Level
Concession, Storage & Office Areas



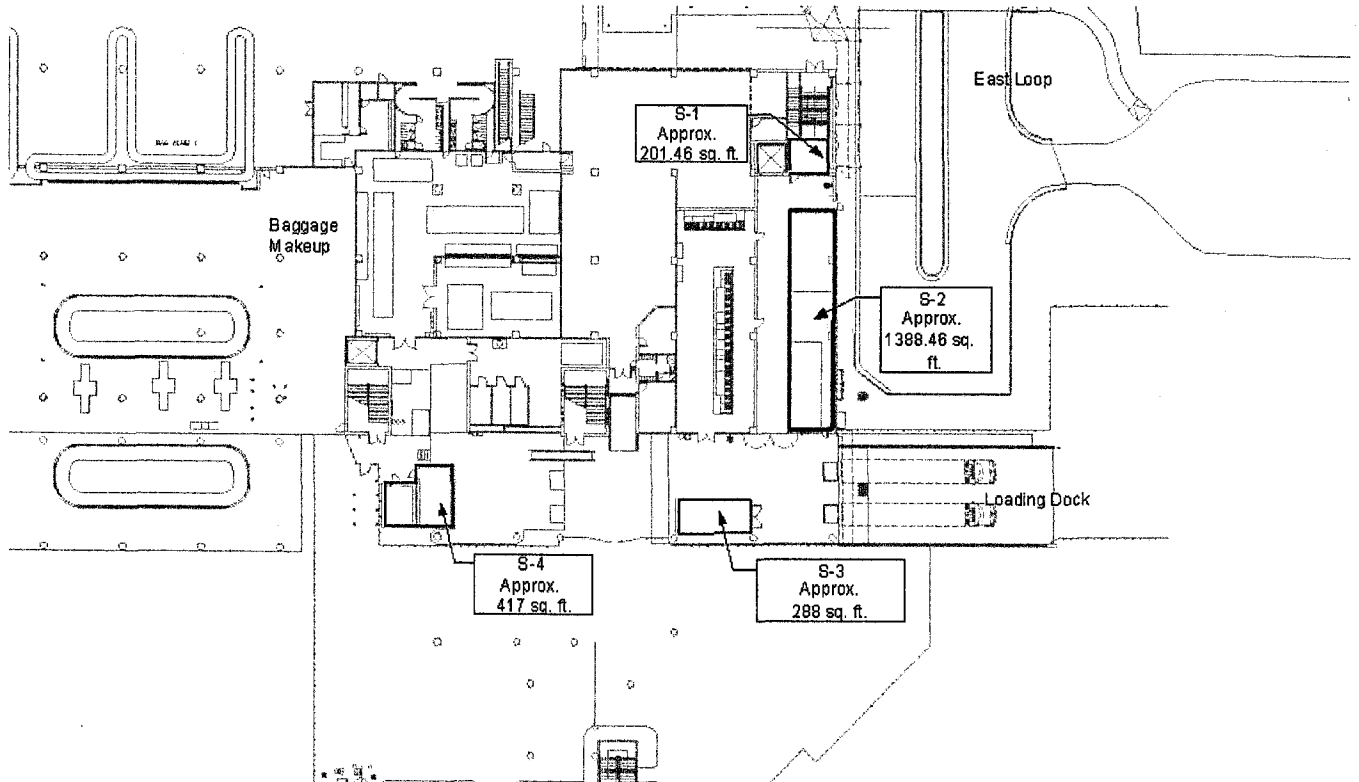
Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
Concourse B - 2nd Level
Concession Areas



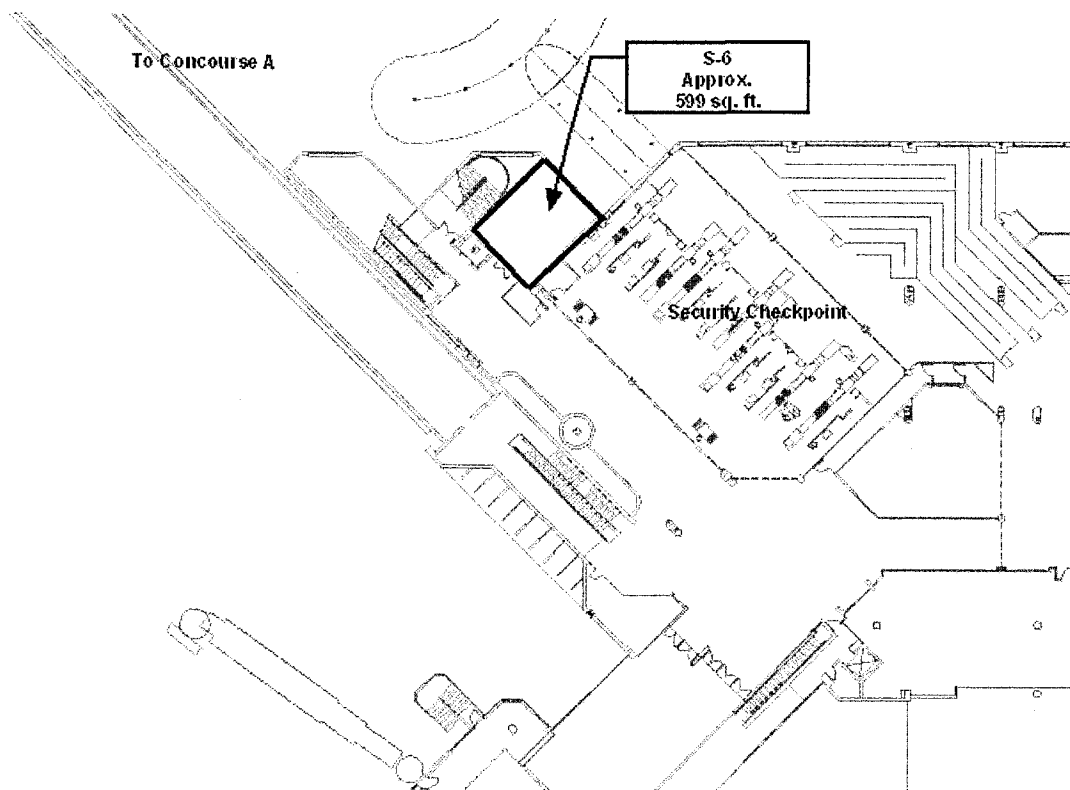
Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
Concourse C - 2nd Level
Concession Areas



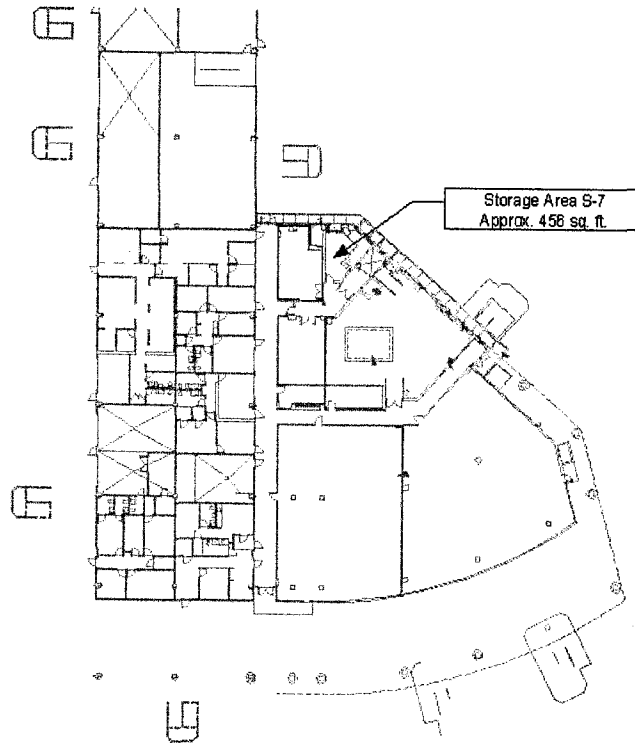
Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
Main Terminal - 1st Level (East)
Storage Areas



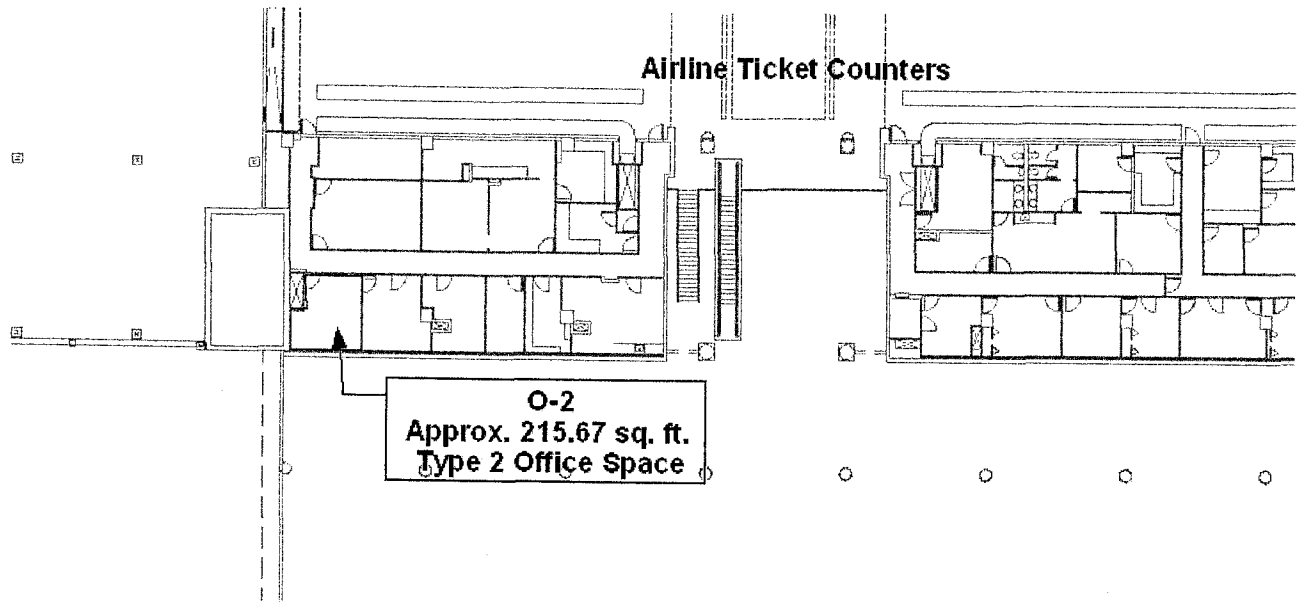
Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
2nd Level
Storage Area S-6



Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
Concourse C - 1st Level
Storage Area S-7



**Host International, Inc.
Exhibit "A"
Palm Beach International Airport Terminal
Main Terminal – Level 3
Office Area 0-2**



Host International, Inc.
Exhibit "1"
Concession Area MT-2
Transition List

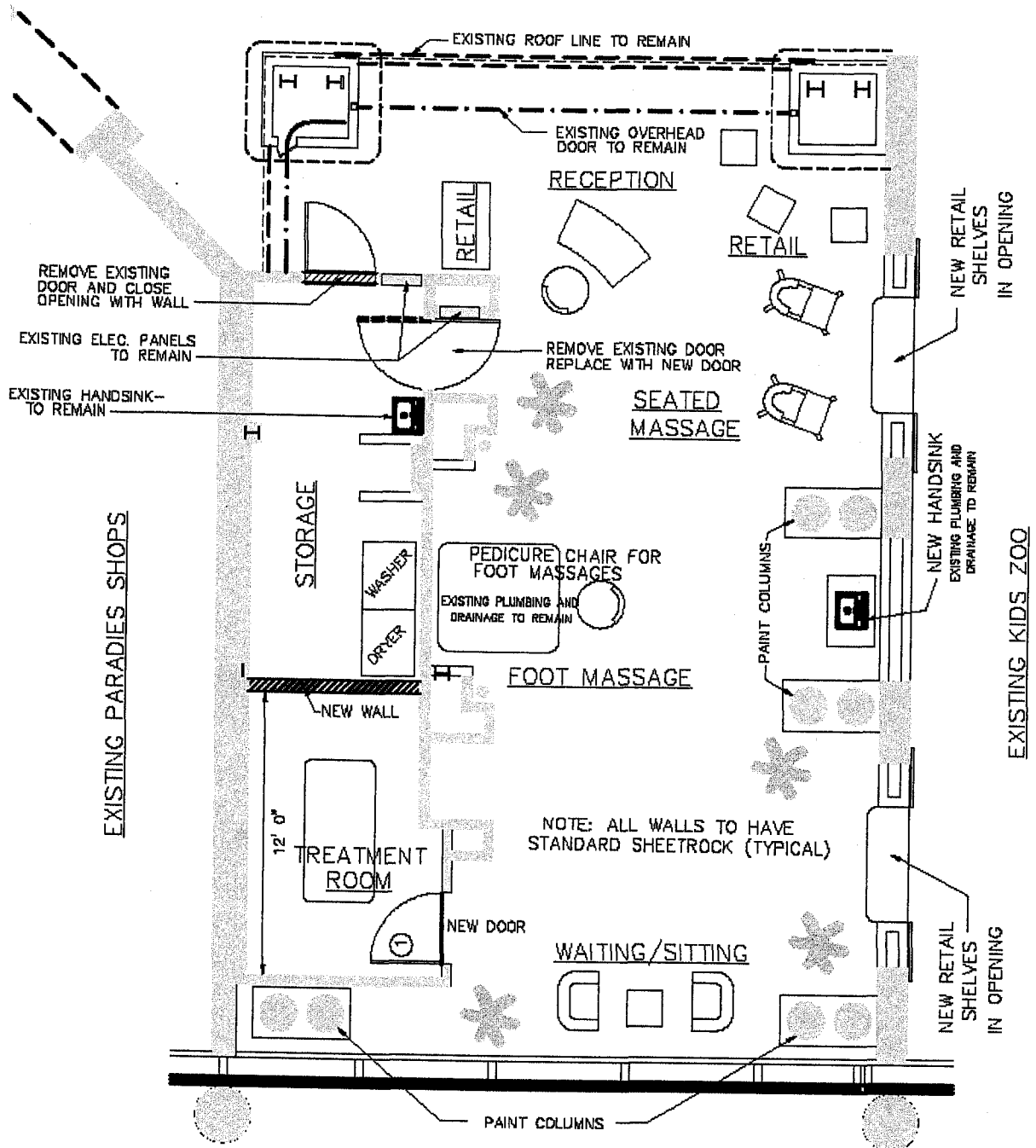
1. CONCESSIONAIRE shall leave the existing roll up security door/screens and re-key the cylinders.
2. CONCESSIONAIRE shall remove all wall tile located on the interior and front entry and shall restore the surfaces with sheetrock, mud and sand so that the surfaces are ready for painting.
3. CONCESSIONAIRE shall remove Cinnabon and Freshen signage from the exterior facade and repair any damage to the walls so that the surfaces are ready for painting and shall cap off electrical connections for future use for signage.
4. CONCESSIONAIRE shall remove all interior Cinnabon signage, menus and wall advertisement fixtures and repair any damage to the walls so that the surfaces are ready for painting.
5. CONCESSIONAIRE shall remove the entire self-serve fountain drink station (plumbing and drainage shall be capped off for future use) and all counters lining wall located on KidsZoo side of Concession Area MT-2. CONCESSIONAIRE shall repair all damage to the newly exposed surfaces so that they are ready for painting. The two recessed areas over the existing counters shall remain, but all tiled surfaces shall be covered with and refinished with sheetrock, mudded and sanded by CONCESSIONAIRE so that the surfaces are ready for painting.
6. CONCESSIONAIRE shall remove bottom row of tile base boards and corner metal strips, if needed, and shall finish all previously tiled areas with sheetrock, mud, and sand so that the surfaces are ready for painting.
7. CONCESSIONAIRE shall leave the existing storage room in place.
8. CONCESSIONAIRE shall remove the interior service area, dining and back counters; the dough rolling station; and self-service drink island, as shown on original Cinnabon plans submitted to the Department down to concrete subfloor. CONCESSIONAIRE shall remove all cabinetry, ovens, coolers and appliances from Concession Area M-2. Any damage to the walls shall be repaired so that the surfaces are ready for painting.
9. CONCESSIONAIRE shall leave the existing plumbing and drainage on the wall that separates store from the storeroom (area where the service counters are to be removed) and shall cap them off so that they remain available for future use.
10. CONCESSIONAIRE shall remove the large cooler from inside of the rear storage area. To facilitate the removal of the cooler, the interior wall adjacent to the cooler may be removed. CONCESSIONAIRE shall rebuild the wall and install a new door in the location identified on the Comfort Zone Spa Floor Plan.
11. CONCESSIONAIRE shall construct a new wall in the location identified on the Comfort Zone Spa Floor Plan and a drop ceiling in area impacted by the removal of the large cooler. CONCESSIONAIRE shall install recessed lighting within the new drop ceiling.
12. CONCESSIONAIRE shall submit an electrical plan to the extent required by the Department. CONCESSIONAIRE shall leave the electrical panels intact and operational. CONCESSIONAIRE shall leave the existing electrical meter.
13. CONCESSIONAIRE shall not remove the existing electrical power outlets or water heater. All power outlets and the water heater shall be operational upon surrender of Concession Area MT-2. Electrical power outlets shall be pulled out to the new drywall surface.
14. CONCESSIONAIRE shall not remove the small hand-sink in storage room area and the sink shall be operational upon surrender of Concession Area MT-2.

Host International, Inc.
Exhibit "1"
Concession Area MT-2
Transition List

15. CONCESSIONAIRE shall remove all industrial wash sinks/basins in storage room area and shall repair damage to walls so that the walls are ready for painting. CONCESSIONAIRE shall not remove associated plumbing or drainage, but shall cap them off for future use.
16. CONCESSIONAIRE shall remove all industrial shelving and similar items from storage room area and repair any damage to walls so that the walls are ready for painting.
17. CONCESSIONAIRE shall remove all floor tile within Concession Area MT-2. All thin set mortar adhesive shall be removed down to the concrete subfloor.
18. CONCESSIONAIRE shall not remove the wooden ceiling arches forming roof or any of the light fixtures.
19. CONCESSIONAIRE shall remove the existing door currently located near drink cooler and enclose the opening as a wall as shown on the Comfort Zone Floor Plan.
20. CONCESSIONAIRE shall remove all grease trap(s) and verify that all drains are running freely without sluggishness.
21. CONCESSIONAIRE shall remove all cabling and/or fiber back to the home panel.
22. CONCESSIONAIRE shall ensure that all electrical, plumbing and fire protection systems and equipment within Concession Area MT-2 are operational and in compliance with all applicable building and fire codes prior to surrender of Concession Area M-2.
23. CONCESSIONAIRE shall submit plans for work being performed by CONCESSIONAIRE for Concession Area M-2 to the Department for prior written approval in accordance with the requirements of the Agreement for Leasehold Improvements.
24. CONCESSIONAIRE shall surrender the Concession Area MT-2 in a neat, clean and sanitary condition.

Host International, Inc.
 Exhibit "1"
 Concession Area MT-2
 Transition List

COMFORT ZONE SPA
PALM BEACH INTERNATIONAL AIRPORT



FLOOR PLAN
 SCALE: 1/4" = 1'-0"
 DESIGNED BY ANN HILL