

SEATTLE



An Elevated
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Experience



REQUIRED FORMS

International Shoppes: PORT OF SEATTLE-TACOMA
INTERNATIONAL AIRPORT DUTY FREE PACKAGE: RFP 23-1DF



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FORM A.1 RFP MINIMUM REQUIREMENTS ACKNOWLEDGEMENT FORM

The minimum qualifications and requirements for any Proposer responding to this RFP shall be as follows:

Proposer shall have a minimum of ten (10) years successful, continuous, and recent experience in the operations and management of Duty Free locations in either an international airport or land border crossing of comparable size and complexity to SEA; or If Proposer is part of a joint venture agreement, the majority member shall have a minimum of ten (10) years successful, continuous, and recent experience in the operations and management of Duty Free locations in either an international airport or land border crossing of comparable size and complexity to SEA. **(Form A.8)**

Proposer must submit the Proposer’s Certification Form **(Form A.2)**.

Proposer has complied with the requirements set forth in SECTION 3: ACDBE REQUIREMENTS, by submitting ACDBE participation Form **(Form A.4)** and/or Documentation of Good Faith Efforts **(Form A.5)**.

Proposer has complied with the requirements set forth in SECTION 4: LABOR PEACE REQUIREMENTS by submitting Evidence of Labor Peace Agreement **(Form A.6)** or Certification For Labor Peace Agreement **(Form A.7)**

PROPOSER MUST ACKNOWLEDGE ALL ADDENDUM(S) ISSUED BY THE PORT.

I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify my submittal from the RFP 23-1DF evaluation process.

Date: October 31, 2023

Name: M. Greenbaum

Company: International Shoppes, LLC on behalf of International Shoppes SEA Partners, LLC

Title: Co-CEO

Signature:

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON-RESPONSIVE AND NOT SCORED.

FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).



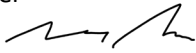
FORM A.2 PROPOSER’S CERTIFICATION

By submitting a Proposal, Proposer understands, agrees and warrants that:

- Proposer has carefully read and fully understands the information provided in this RFP, including, by not limited to Section 8.4 - Competitive Integrity
- Proposer has the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted
- All information in the Proposal is true and correct
- The Port has the right to negotiate fees and other items it deems appropriate for the benefit of the Port and the traveling public
- The Port has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by the Proposer, and Proposer hereby grants the Port permission to make said inquiries and to provide any and all requested documentation in a timely manner.

Dated this 31 day of October, 2023.

Proposer International Shoppes, LLC on behalf of International Shoppes SEA Partners, LLC

By:  M. Greenbaum

Title: Co-CEO

(TO BE ACCEPTED, ALL PROPOSERS MUST SIGN THIS CERTIFICATION.)

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON- RESPONSIVE AND NOT SCORED.

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FORM A.3 PROPOSER INFORMATION FORM

Company Legal Name (Exactly as it is to appear on the Agreement)

International Shoppes SEA Partners, LLC

Name and Title (of individual authorized to execute the Agreement on behalf of proposer)

Matthew Greenbaum, Co-CEO

Agreement Mailing Address City State Zip

540 Rockaway Ave, Valley Stream, NY 11581

Telephone Number Email

516.872.5797 x156 / mgreenbaum@ishoppes.com

Will you execute an Agreement in substantially the same form as the draft provided with the RFP?

Yes No

We assume the draft Agreement is not intended to supercede the intendments of the RFP and that the final Agreement will be equitably conformed to the terms of the RFP and the accepted response.

If No please state desired changes:

List the business type of the proposing organization (i.e., corporation, LLC, partnership, joint venture or sole proprietorship)

Attach the following information as relevant:

- If a corporation list the names, addresses and shares of all persons or entities owning ten percent (10%) or more of the Proposer’s voting stock;
- If an LLC list the name and address of each member;
- If a partnership list the name, address and share of each partner;
- If a joint venture, list date of organization indicate if the joint venture has done business in the state of Washington and where, and list the name, address and share of each joint venture partner
 - o If the joint venture includes an ACDBE or an ACDBE applicant, and it is the desire of the joint venture partners that the ACDBE partner’s portion of the sales be applied towards Sea-Tac’s ACDBE goal, then the joint venture must be in compliance with the Joint Venture Guidance issued by the U.S. Department of Transportation Federal Aviation Administration in July 2008.
- If a sole proprietorship, list all business names under which such proprietor has done business during the last five (5) years, address(es), how long in business, and state whether registered or authorized to do business in Washington.

- List any affiliate of proposer engaged in airports or other large transportation centers, shopping centers, malls, or business districts activities and any corporation with a direct or controlling interest in the proposer, and any subsidiary corporation in which the proposer has a controlling interest and any affiliates.

Please provide the names, addresses, and telephone numbers of at least three (3) credit references, including at least one (1) banking reference.

Credit Reference No. 1:

Moet Hennessy

Company Name and Address

Moet Hennessy/250 Greenwich St, New York, NY 10017

Contact Name, Title, and Telephone Number

Nydia Jamie/Receivables Director/212.251.8508

Credit Reference No. 2:

L'Oreal Travel Retail Americas

Company Name and Address

L'Oreal Travel Retail Americas/5200 Blue Lagoon Dr, Miami, FL 33126

Contact Name, Title, and Telephone Number

Marina Torres/General Manager/305.498.0950

Banking Reference:

Capital One

Company Name and Address

Capital One/299 Park Ave, New York, NY 10171

Contact Name, Title, and Telephone Number

Hector Baez/Vice President/929.264.6602

FORM A.4 ACDBE PARTICIPATION FORM

Proposers must submit with this form either:

- a. ACDBE Certification for the State of Washington; or
- b. Evidence that ACDBE Company has begun the Certification process in the State of Washington prior to the submission of this RFP; and
- c. If a Joint Venture a copy of the Joint Venture Agreement with the Roles and Responsibilities

FAILURE OF PROPOSER TO PROVIDE THIS WILL RESULT IN THE ACDBE COMPANY PARTICIPTION NOT BEING COUNTED TOWARD THE OVERALL GOAL.

ACDBE COMPANY NAME	SUBLEASE OR JOINT VENTURE	ACDBE PERCENTAGE
Byrd Retail Group, LLC	JV	5.75
Nexo Services, LLC	JV	5.75
Olympic Supply, Inc.	JV	5.75
Shekinah Group, LLC	JV	5.75
TOTAL ACDBE PARTICIPATION		23

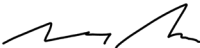
I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify my submittal from the RFP 23-1DF evaluation process.

Date: October 31, 2023

Name: M. Greenbaum

Company: International Shoppes, LLC on behalf of International Shoppes SEA Partners, LLC

Title: Co-CEO

Signature: 

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BYRD RETAIL GROUP CERTIFICATION



Certification Application Review In Process

Applicant: **Byrd Retail Group LLC**

Certifying Agency: **Washington State Office of Minority & Women's Business Enterprises**

Application Type: **Interstate Application**

Application Number: **3042900**

Contact: **Judith Byrd**

Date Submitted: **10/3/2023**

Date Received: **10/5/2023**

Dear Judith Byrd,

Your application received on **10/5/2023** is now in process. During this time, you may be contacted to supply additional information and/or supporting documentation. The staff person assigned to review your application will contact you to schedule an on-site visit at your principal place of business, if required.

To view your application, visit: <https://omwbe.diversitycompliance.com/?GO=677>

If you have any questions, please email us at OMWBE@diversitycompliance.com.

Washington State Office of Minority & Women's Business Enterprises
1110 Capitol Way South, Suite 150
Olympia WA 98504-1160
www.omwbe.wa.gov

NEXO CERTIFICATION



STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

1110 Capitol Way South, Suite 150 • PO Box 41160 • Olympia, WA 98501

(360) 664-9750 • Toll free 1-866-208-1064 • Fax (360) 586-7079

September 14, 2022

Nexo Services, LLC DBA Nexo Services
6523 117th Ave SE
Bellevue, WA 98006

Dear Fatima Sotelo,

Congratulations! Your firm has been recertified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) as a/an Minority/Women Business Enterprise (MWBE). Information about your business is published in the OMWBE Directory located at <http://bit.ly/2uu4zH2>.

Certification Number: M5F0024096

Renewal Date: September 14, 2025

Please review each of the following:

- Every three years before your anniversary date, you must submit an "Affidavit of Continued Eligibility." This form confirms there have been no changes that would affect your firm's ability to remain certified, such as changes in ownership, control, size, management responsibility, scope of work, or personal net worth. OMWBE will send you an email 75 days before your anniversary date.
- You must inform the OMWBE in writing within 30 days of the any of the changes listed above by logging into our system at <http://omwbe.wa.gov/certification>. Failure to notify our office of these changes may affect your firm's eligibility for the program.
- This certification shall remain valid unless and until it has been removed in accordance with procedures set forth in WAC 326-20-172.

We are pleased to certify your firm and wish you much success. If you have any questions or need assistance, please contact us at (360) 664-9750.

Sincerely,

Pending Reassignment 1
Certification Analyst

OLYMPIC CERTIFICATION



STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

1110 Capitol Way South, Suite 150 • PO Box 41160 • Olympia, WA 98501

(360) 664-9750 • Toll free 1-866-208-1064 • Fax (360) 586-7079

March 13, 2023

Olympic Supply, Inc. DBA Onsite Retailers
12605 Pleasant Prospect Rd
Mitcheville, MD 20721

Dear Sandy Roberts,

Congratulations! Your firm has been certified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) as a/an Airport Concessionaire Disadvantaged Business Enterprise (ACDBE). Information about your business is published in the OMWBE Directory located at <http://bit.ly/2uu4zH2>.

Certification Number: D3M0028254
Anniversary Date: December 9, 2023

Please review each of the following:

- Each year before your anniversary date, you must submit an "Affidavit of Continued Eligibility." This form confirms there have been no changes that would affect your firm's ability to remain certified, such as changes in ownership, control, size, management responsibility, scope of work, or personal net worth. OMWBE will send you an email 75 days before your anniversary date.
- You must inform the OMWBE in writing within 30 days of the any of the changes listed above logging into our system at <http://omwbe.wa.gov/certification>. Failure to notify our office of these changes may affect your firm's eligibility for the program.
- This certification shall remain valid unless and until it has been removed in accordance with the procedures set forth in 49 CFR § 26.87.

Your firm now appears on our directory of certified firms. Please use the directory to confirm your certification status. The certification letter is for you to retain for your records so you know the date you'll need to renew with our office.

We are pleased to certify your firm and wish you much success. If you have any questions or need assistance, please contact us at (360) 664-9750.

Sincerely,

Wilbert Pina
Certification Analyst

SHEKINAH GROUP CERTIFICATION



Certification Application Submitted

Applicant: **Shekinah Group, LLC**
Certifying Agency: **Washington State Office of Minority & Women's Business Enterprises**
Application Type: **Interstate Application**
Application Number: **8738570**
Contact: **VAUGHN MCKOY**
Date Started: **10/17/2023**
Date Submitted: **10/19/2023**

Dear VAUGHN MCKOY,

Thank you for submitting your application on 10/19/2023. Your certification application number is 8738570. Please reference this number in all correspondence.

It will next be received by the organization and assigned to a staff person for review.

To view your application, visit: <https://omwbe.diversitycompliance.com/?GO=677>

If you have any questions, please email us at OMWBE@diversitycompliance.com.

Washington State Office of Minority & Women's Business Enterprises
[1110 Capitol Way South, Suite 150](#)
Olympia WA 98504-1160
www.omwbe.wa.gov

This message was sent to: "VAUGHN MCKOY"
Sent on: 10/19/2023 4:53:05 PM
System ReferenceID: 209412302

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October 17, 2023

VIA EMAIL

mmckoy@shekinahgroupllc.com

Shekinah Group LLC
3 Parkview Drive
New Brunswick, New Jersey 08901
Attention: Marnie McKoy

sroberts@onsiteretailers.com

Olympic Supply, Inc. (d/b/a Onsite Retailers)
12605 Pleasant Prospect Rd
Mitchellville, Md 20721
Attention: Sandy Roberts

patty@nexoservices.net

Nexo Services, LLC
6523 117th Ave SE
Bellevue, WA 98006
Attention: Fatima Patricia Sotelo

JB@byrdretailgroup.com

Byrd Retail Group, LLC
New York, New York
Attention: Judith Byrd

**Re: Seattle-Tacoma International Airport
Duty Free Proposal RFP 23-1DF**

Dear All:

International Shoppes, LLC (“iShoppes”) has expressed the desire to include Shekinah Group LLC (“Shekinah”), Olympic Supply, Inc., d/b/a Onsite Retailers (“Olympic”), Nexo Services, LLC (“Nexo”), and Bryd Retail Group, LLC (“Byrd”) (in the aggregate as the “ACDBE Members”) as its proposed partners in a proposal (“Proposal”) it is preparing in response to the Invitation to Propose for Duty Free and Specialty Retail Concessions (the “Concessions Space(s)”), issued by the Seattle Port Authority (the “Authority”) at Seattle Tacoma International Airport (the “Airport”).

The ACDBE Members have expressed an interest in actively participating in such an endeavor in the manner described herein. Accordingly, the purpose of this letter is to set forth our mutual understanding with respect to the establishment of a joint venture limited liability company (the “Company”) and the development of the Concessions Space(s) if the Company is awarded a contract to operate therein. In consideration of the premises hereto and the mutual covenants hereinafter contained the parties hereby agree as follows:

1. iShoppes agrees to prepare and submit to the Authority a Proposal to operate the Concessions Space(s) and include the ACDBE Members as its proposed joint venture partners in

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the operation of such facilities as described herein, provided that the Authority grants the Company a contract to operate the Concessions Spaces pursuant to the Proposal. The ACDBE Members agree to work exclusively with iShoppes with respect to this business opportunity.

2. Each of the ACDBE Members represents that it is currently certified (or is in the process of being certified) by the State of Washington as an Airport Concessions Disadvantaged Business Enterprise (an “ACDBE”) and covenants that it will remain certified as an ACDBE throughout the term of any concession agreement/sublease the Company may execute with the Authority (the “Concession Agreement/Sublease”). The parties agree and acknowledge that a limited liability company that includes an ACDBE certified company as a Member requires that each Member share in the capital contributions, control, management, risks and profits in accordance with its respective ownership percentage to comply with the Authority’s requirements and applicable federal regulations (i.e., 49 CFR Part 23).

3. iShoppes, the ACDBE Members will form the Company for sole purpose of executing the Concession Agreement and any other necessary agreements related to the Concessions Space(s). iShoppes, Shekinah, Olympic, Byrd and Nexo are referred to herein jointly as the “Members”. iShoppes will own 77% of the Company, and each of the ACDBE Members will own 5.75% of the Company.

4. The general terms and conditions of the Company’s Operating Agreement are set forth on Exhibit A, attached hereto.

5. Following execution of this letter agreement, the parties will negotiate and enter into an Operating Agreement, including the terms of this letter agreement and Exhibit A and other usual and customary terms. The Members acknowledge that terms and conditions of the Operating Agreement will be subject to the approval of the Authority. This letter of intent is not intended to be a legally binding agreement among the parties, but only an expression of the parties’ intent, expressly subject to the execution of the Operating Agreement, except for the provisions of this Section 5 and Sections 6 through Section 12.

6. Each party hereto (the “Recipient Party”) covenants that it: (i) will keep the “Confidential Information” (as defined below) of the other parties (the “Second Party”) confidential and will not (except as required by applicable law, regulation or legal process) without the applicable Second Party’s prior written consent, disclose any Confidential Information in any manner whatsoever, and (ii) will not use any Confidential Information other than in connection with fulfilling its obligations hereunder; provided, however, that it may reveal the Confidential Information to its “Representatives” (a) who need to know the Confidential Information for the purpose of fulfilling its obligations hereunder, (b) who are informed of the confidential nature of the Confidential Information and (c) who agree to act in accordance with the terms of this Agreement. For purposes of this provision such Representatives include: shareholders, officers, directors, members, managers, employees and legal representatives of a party. Any unauthorized use of any of the foregoing Confidential Information shall be, inter alia, a material default under this letter agreement. For purposes of this letter agreement, Confidential Information includes, but is not limited to: trade secrets, confidential financial and product sourcing information, customer demographics and information, marketing and sales data and other operational information, product/service information, financial information, marketing information and business plans, strategies, analyses, abstracts, compilations, forecasts, projections, studies, construction estimates and drawings, diagrams, systems, software, firmware, hardware, and products and services in development.



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7. Nothing in this letter agreement shall be deemed to grant any party any rights to use the others' trademarks, trade names, trade and service marks, trade dress, logos, slogans and other commercial symbols, patents, copyrights, or any other intellectual property, except for purposes of preparing and submitting the Proposal to the Authority.

8. The parties acknowledge that money damages are an inadequate remedy for breach of paragraphs 6 or 7 of this letter agreement, because of the difficulty of ascertaining the amount of damage that will be suffered if such provisions of the agreement are breached. Therefore, the Second Party will be entitled to equitable relief, including injunction and specific performance without the need to post bond, in the event of any breach of such provisions of this agreement by Recipient Party or any of its Representatives, in addition to all other remedies available at law or in equity.

9. Each party hereto shall reasonably consider the views and financial needs of the other parties and shall act in a timely and non-capricious manner. Each party agrees not to unreasonably withhold, delay or condition its approval or consent with respect to reasonable requests made by the other parties. Failure to provide written denial with an explanation therefor within 7 days following receipt of written request for consent shall be deemed unreasonable per se.

10. All notices required or permitted to be given under the terms of this letter agreement shall be sent in writing by certified mail, return receipt requested, or by courier service. Notices sent by certified mail or courier shall be deemed to have been received at the time they are delivered to the applicable address set forth above to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this paragraph. Notices and other communications shall be addressed to the parties at their addresses first set forth above or to any address as directed by the recipient party hereafter.

11. This letter agreement shall be construed in accordance with and governed by the law of the State of New York, without application of its principles regarding choice of law that would result in the application of the law of another jurisdiction.

12. This Agreement may be executed in one or more counterparts and or by emailed .PDF counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

Please execute the enclosed copy of this letter agreement in the space provided below and return it to my attention as confirmation of our understanding and agreement on these matters.

INTERNATIONAL SHOPPES, LLC

DocuSigned by: Matthew Greenbaum
By: 6B6A21405F7C431... Matthew Greenbaum, Co-CEO

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EXHIBIT A

1. Scope and Purpose of the Company

The purpose of the Company is to develop, construct and operate Duty Free and Specialty Retail Concessions in the Concessions Spaces, pursuant to the terms and conditions of any Concession Agreement/Sublease executed with the Authority.

2. Term of LLC

Coterminous with the Concession Agreement/Sublease and any extension thereof, plus three months (or as necessary to wind up affairs).

3. Ownership, Allocations and Distributions

Each Member shall own the percentage of the Company set forth below (the “Percentage Holding”). All profits and losses will be allocated to the Members’ capital accounts will be paid out to the Members based on the percentage of ownership held by each Member, as follows:

Member	Percentage Holding
iShoppes	77.00%
Shekinah	5.75%
Olympic	5.75%
Nexo	5.75%
Byrd	5.75%

Cash on hand will be used to satisfy obligations in strict prioritization set out below:

- a. First to pay all 3rd party invoices for goods and services and to reimburse iShoppes for Shared Service Costs and FM Charges described in Sections 6 & 7 below), then to the extent of funds available;
- b. Second to pay off all working capital advances from iShoppes (for things like inventory, pre-opening costs, training etc.), then to the extent of funds available;
- c. Third to interest on any debts to iShoppes and any ACDBE Members participating in any loans made to the Company (pro rata), then to the extent of funds available;
- d. Fourth to any Reserve for future costs set up by the Management Committee (such as the reserve for midterm expenditures), then to the extent of funds available;
- e. Fifth to a 2% non-accruing management fee split between the Members as described in paragraph 4 below, then to the extent of funds available;
- f. Sixth to a Tax Distribution to the Members (to the extent required to cover off income taxes due on the Company’s taxable profits, determined after subtracting depreciation and amortization), then to the extent of funds available;
- g. Seventh to principal due on capitalized debt (for development and construction), then to the extent of funds available;
- h. Eighth to the Members a sum equal to their capital account balances (with pro-rata distributions based on capital account balances until each capital account equates to the Percentage Holding held by such Member), then to the extent of funds available; and
- i. Ninth to the Members based on their Percentage Holding.

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4. Investment and Development Loan

Each Member shall be responsible for providing an initial capital investment equal to its Percentage Holding times 20% of the aggregate amount required by the Company for the design, development and construction of the Concessions Space(s) and the Base Buildout required under the RFP, including all pre-development costs relating to preparing and submitting the Proposal and related architectural and design work, initial inventory and any pre-opening expenses. Since the requirement for funding is likely to be spread over more than a year, the parties agree to develop a contribution schedule based on the Company's forecast need for funding within 30 days following execution of any agreement with the Authority.

iShoppes will provide the Company with a Development Loan for up to 80% of the funding required. Interest will accrue on funds advanced from the date of advance at Prime plus 3%. Each ACDBE Member may participate as a lender for up to 5.75% of such loan amount. Interest will be payable monthly. The principal will be repaid prior to issuance of Distributions to the Members **except** for Tax Distributions equal to 40% of Profits (computed in accordance with IRS rules) for the period and approved Management Fees (1% to iShoppes and 0.25% to each ACDBE Member).

5. Governance

a. The parties agree that the strategic business plan for the Company shall be developed and managed by a Management Committee which shall also be responsible for: (i) approving the overall design and construction of the Concession Space(s) and any renovations to same; (ii) approving all merchandise selection and display plans; (iii) hiring and firing of all employees, attorneys, accountants and other advisors; (iv) final approval of the Concession Agreement/Sublease and any amendments thereto and any other contracts or agreements that the Company may desire to execute; (v) establishment of an annual business plan and financial budget; (vi) issuance of any guarantees or indemnities; (vii) compromising, settling or litigating any claims or disputes; and (viii) except as described below, all other acts or activities necessary or desirable for carrying out the business of the Company. The Management Committee will consist of the five (5) representatives appointed by iShoppes and one (1) representative appointed by each ACDBE Member. A representative of iShoppes will be responsible for setting the agenda for meetings, calling periodic meetings, and circulating minutes thereof. Meetings will be held as needed and all meetings may be conducted telephonically, as well as in person. The presence of five (5) members (either in person or telephonically) shall constitute a quorum; with respect to material decisions relating to the ACDBE's functions a quorum will require at least one (1) representative of one ACDBE Member.

b. Notwithstanding the above, there will be no material changes in the terms and conditions relating to the governance or structure of operating the Company, or with respect to allocations of profits and losses or calculation of or payment terms with respect to distributions, the transfer of the businesses operated by the Company, or the terms and conditions of the Concession Agreement without the approval of all Members.

c. Each Member shall be responsible for paying its own income taxes related to its allocated share of the profits of the Company.

d. The Management Committee will meet to discuss issues of mutual interest at least quarterly, telephonically, and as often as is reasonably necessary to optimize the operations of the Company.

- e. Participate in monthly Management Committee meetings and in the strategic marketing and planning processes of the Company;
- f. Manage onsite construction and development;
- g. Liaison with the Authority on a weekly basis.

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6. Bonded Warehouse Services

iShoppes will provide all offsite storage and bonded warehousing, shipping and transportation services, necessary insurance and bonding services for a “Shared Service Costs” equal to 4% of gross receipt.

7. Finance Member Services

iShoppes will act as the Finance/Admin Member and Tax Matters Partner (the “Finance Member”), managing all financial systems, filing all sales and tax reports, maintaining the general ledger, paying all invoices, etc. As the Finance Member and for licensing the Company to use its systems, handbooks and other confidential information, iShoppes will receive a fee of 4% of gross receipts for providing such services (the “FM Charges”). The ACDBE Members shall have access to the financial information on request.

8. Responsibilities of iShoppes

Subject to the consent and approval of the Management Committee on material decisions, iShoppes will be responsible for:

- a. Negotiation of contract for acquisition of physical assets and inventory presently on-site and any re-design, signage development and POS and computer system design and installation and other enhancements required for the operation of the shops;
- b. Management of the inventory selection program for the Concessions Space(s), including sourcing, purchasing, and inventory management and development of marketing materials;
- c. Management of any intellectual property being used by the Company;
- d. Obtaining all necessary liquor and other business licenses, including but not limited to U.S. Customs bonds;
- e. Manage all U.S. Customs concerns with respect to managing duty free inventory;
- f. Participate regularly in Management Committee meetings and in the strategic marketing and planning processes of the Company.

9. Responsibilities of the ACDBE Members

Subject to the consent and approval of the Management Committee on material decisions, the ACDBE Members will be responsible for:

- a. Maintain ACDBE certification(s) throughout the term of the Concession Agreement/Sublease;
- b. Supervise the initial onsite construction of facilities and manage repairs and maintenance required through the life of the lease;
- c. Manage the beauty and cosmetics departments of the, which shall include the right to hire and fire applicable sales personnel and participate in the management of front-of-the-house sales personnel for the Concessions Space(s);
- d. Participate in weekly staff meetings and general management of the business through regular reporting of operations, administrative and business support issues to improve overall business effectiveness and development of business scorecard as management tool that will be used to establish goals and measure short and long-term performance;

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OPERATING AGREEMENT
INTERNATIONAL SHOPPES SEA PARTNERS, LLC
(a New York limited liability company)

Effective as of _____, 2023

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OPERATING AGREEMENT

INTERNATIONAL SHOPPES SEA PARTNERS, LLC

THIS OPERATING AGREEMENT (this “**Agreement**”) of INTERNATIONAL SHOPPES SEA PARTNERS, LLC (the “**Company**”) is made and entered into as of _____, 2023, by and among INTERNATIONAL SHOPPES LLC, a New York limited liability company with offices at 540 Rockaway Avenue Valley Stream, New York 11581 (“**ISL**”), SHEKINAH GROUP LLC, a New Jersey limited liability Company with offices at 3 Parkview Drive, New Brunswick, New Jersey 08901 (“**Shekinah**”), OLYMPIC SUPPLY, INC., d/b/a Onsite Retailers, a Delaware corporation, with offices at 12605 Pleasant Prospect Rd, Mitchellville, Md 20721 (“**Olympic**”), NEXO SERVICES, LLC, a Washington limited liability company, with offices at 6523 117th Ave SE Bellevue, WA 98006 (“**Nexo**”), and BYRD RETAIL GROUP, LLC, a New York limited liability company with offices at _____, New York, New York _____ (“**Byrd**”) and each other Person who becomes a Member (collectively, the “**Members**”) in accordance with the terms of this Agreement. Shekinah, Olympic, Nexo and Byrd may be jointly referred to as the “**ACDBE Members**”.

WHEREAS, the Company was formed as a New York limited liability company pursuant to the Certificate of Formation filed with the Secretary of State of the State of New York on _____, 2023 (the “**Certificate of Formation**”) for the sole purpose of bidding on an opportunity to operate certain duty free and other retail stores at the Seattle-Tacoma International Airport (the “**Airport**”) pursuant to the certain Request for Proposals No. _____ (the “**RFP**”), and if so awarded the opportunity, developing and operating such stores thereafter pursuant to a Concession Lease Agreement (the “**Lease**”) to be negotiated with the Port of Seattle (the “**Port**”); and

WHEREAS, Olympic, Nexo, Byrd and Shekinah are certified as ACDBEs (defined herein) by the Port.

NOW, THEREFORE, the Members, in consideration of the premises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, mutually covenant and agree as follows:

ARTICLE I

FORMATION, NAME, PURPOSES, DEFINITIONS

I.1 FORMATION. The Company was formed upon the execution of the Certificate of Formation by an authorized representative of the Company and the filing of such on _____, 2023 with the Secretary of State of the State of New York and filed its registration to do business in the State of Washington on _____, 2023.

I.2 TAX STATUS. The Members intend that the Company is, and shall continue to be, an entity taxable as a partnership for federal, state and local income tax purposes, rather than as an association taxable as a corporation. The Members will do all things requisite to the maintenance of the Company as a partnership for federal, state and local income tax purposes. Nothing contained in this Section affects, or is intended to affect, the status of the Company as a limited liability company under the Act (defined herein).

I.3 NAME. The name of the Company shall be “**International Shoppes SEA Partners, LLC**”.

I.4 REGISTERED OFFICE. The Company’s registered office shall be located at 540 Rockaway Avenue Valley Stream, NY 11581 for the purpose of maintaining the records required to be maintained under the Act, or at such other location as the “**Management Board**” (defined later) shall determine in its sole discretion.

I.5 PURPOSE AND POWERS. The general purpose of the Company shall be to engage in the ownership and operation of, and investment in, duty free and other retail stores at the Airport pursuant to the Lease between the Company and the Port for locations identified as _____ (the “**Stores**”). The Company may exercise all powers reasonable or necessary to pursue the same.

I.6 TERM. The term of the Company shall continue until the earlier of (a) the date that is one hundred eighty (180) days following termination or expiration of the Lease, including any renewals or extensions thereof, or (b)

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when terminated under the provisions of Article XI hereof or in accordance with the Act. Notwithstanding the foregoing, the term hereof shall automatically expire if a Lease in a form acceptable to the Company is not executed on or before December 31, 2024.

1.7 **AGENT FOR SERVICE OF PROCESS.** The name and business address of the Company's agent for service of process in the State of Washington is CSC Lawyers Incorporating Service Company with offices at _____, New York. ISL shall serve as the agent for service of process in the State of New York. The Management Board may remove and replace the Company's agent for service of process at any time.

1.8 **DEFINITIONS.** Section 8.1 hereof sets forth the definitions of certain terms relating to the maintenance of Capital Accounts and accounting rules. In addition, the following terms, which are used throughout this Agreement, shall have the following meanings:

(a) **"Act"** means the New York Limited Liability Company Law, NY LLC L, Sec. 101 (2022), et seq.

(b) **"ACDBE Members"** means Byrd, Nexo, Olympic and Shekinah.

(c) **"ACDBE"** means airport concessionaire disadvantage business enterprise, as that term is defined under federal law, duly registered and approved to do business as an ACDBE at the Airport by the Port.

(d) **"Affiliate"** means (i) any Person which, directly or indirectly, is in control of, is controlled by or is under common control with another party; or (ii) any Person who is a director or officer (or comparable position) of any Person, described in clause (i) above. For purposes hereof, control of a Person means the power, direct or indirect, to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or comparable positions) of such Person; or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise and either alone or in conjunction with others.

(e) **"Bankruptcy"** means, with respect to any Person: (i) the commencement against such Person of proceedings for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition, or extension of debts, provided such proceedings have not been dismissed, nullified, stayed, or otherwise rendered ineffective (but only so long as such stay will continue in force) within ninety (90) days after the commencement of such proceedings; (ii) the commencement by such Person of proceedings for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension of debts; (iii) a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator or trustee or assignee in bankruptcy or insolvency of such Person or of a substantial part of such Person's property, or for the winding up or liquidation of its affairs, which decree or order remains in force undischarged and unstayed for a period of ninety (90) days; or (iv) a general assignment by such Person for the benefit of creditors or the admission by such Person in writing of its inability to pay its debts generally as they become due.

(f) **"Capital Contribution"** shall mean any contribution to the capital of the Company in cash, property, or services by a Member whenever made. **"Additional Capital Contributions"** shall mean the contributions made pursuant to Section 2.2 hereof.

(g) **"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time.

(h) **"Distribution"** means a transfer of Company property to a Member on account of the Member's ownership of an Economic Interest in the Company, regardless of whether the transfer occurs on the liquidation of the Company, in exchange for a Member Interest, or otherwise.

(i) **"EBITDA"** means earnings before interest, taxes, depreciation or amortization charges, as computed under GAAP, except with respect to depreciation and amortization which shall be computed in accordance with the Code.

(j) **"Economic Interest"** shall mean economic rights of a Member and its permitted assigns and successors to share in the Distributions of cash and other property from the Company pursuant to the Act and this

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Agreement, together with its allocable share of the Company's Profits or Losses for federal and state income taxes. For each Member, such Member's Economic Interest in the Company shall be determined by dividing the then current balance of such Member's Capital Account by the aggregate amount of all Capital Accounts of all of the Members of the Company.

(k) **"Economic Interest Holder"** shall mean someone who owns an Economic Interest in the Company but is not a Member thereof.

(l) **"Finance Member"** shall mean ISL.

(m) **"Fiscal Year"** shall mean each fiscal year of the Company (or portion thereof), which shall end on December 31; provided, however, that upon termination of the Company, **"Fiscal Year"** shall mean the period from the January 1 immediately preceding such termination to the date of such termination.

(n) **"GAAP"** shall mean the United States Generally Accepted Accounting Principles, consistently applied.

(o) **"General Manager"** shall have the meaning ascribed to it in Section 3.4 hereof.

(p) **"Involuntary Transfer"** shall mean any transfer or attempt to acquire a Member's Member Interest or Economic Interest in the Company without such Member's consent, including through Bankruptcy, lien foreclosure, court order or similar proceedings.

(q) **"Involuntary Transferee"** shall have the meaning set forth in Section 10.2(b) hereof.

(r) **"Lease"** means the Concession Agreement and Lease between the Company and the Port in substantially the same form as the lease attached hereto as **Exhibit "D"**.

(s) **"Management Board"** shall mean those persons elected by the Members to govern the business affairs of the Company. The Management Board shall consist of no more than five (5) representatives, initially one (1) appointed by ISL and one (1) appointed by each of the ACDBE Members (each a **"ACDBE Manager"**), for so long as such ACDBE Member continues to hold its entire Member Interest (each a **"Manager"**). With respect to all matters brought before the Management Board, each Manager shall be entitled to exercise the number of votes equal to the number of Units owned by the entity it represents; and excepting those matters set forth in Section 3.1 below, approval and/or consent of the Management Board shall be determined by a vote of Managers holding at least fifty-one percent (51%) of such votes. Managers may be removed, vacancies filled, and substitutions made, only by the Member who originally appointed the respective Manager. Each Member shall cause its representative(s) to participate in the Management Board actively and regularly.

(t) **"Material Breach"** shall mean any of the following occurrences: (i) a failure to make required Capital Contributions in a timely fashion; (ii) misuse of Company funds or assets, theft or fraud involving Company assets; (iii) misuse of intellectual property belonging to the ISL (as more particularly described in Article XII hereof); (iv) breach of such Member's obligations under Section 3.5 or Article X hereof; (v) if a Member shall be adjudicated a bankrupt or insolvent and if such adjudication be involuntary, same is not vacated within sixty (60) days; (vi) if a Member or a shareholder, director, officer, manager, member or principal of such other Member pleads guilty or no contest to or is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that would prevent the Company from obtaining or retaining licenses or permits required for its business operations or would adversely affect the reputation or interests of the Company; or (vii) if an ACDBE Member fails to maintain its ACDBE certification.

(u) **"Member"** means any Person named as a member of the Company on the signature page attached hereto and includes any Person admitted as an additional Member pursuant to the provisions of this Agreement, in such Person's capacity as a Member of the Company, and **"Members"** means two or more of such Persons when acting in their capacities as Members of the Company.

(v) **"Member Interest"** shall mean means a Member's entire limited liability company interest in the Company including the Member's Economic Interest, the right to participate in the management and affairs of

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the Company, including, without limitation, appointing representatives to the Management Board, the right to vote on, consent to and otherwise participate in the decisions and actions and decisions of the Members or through the Management Board, and the percentage to which a Member is required to make Additional Capital Contributions pursuant to this Agreement and the Act.

(w) **“Net Asset Value”** means, with respect to any asset (other than money) contributed by a Member to the Company’s capital or distributed by the Company to any Member, the amount by which the gross fair market value of such asset, determined by the Management Board as provided in Section 3.1(a) hereof at the time of such contribution or Distribution, exceeds the total monetary obligations then secured by such asset or otherwise assumed by the transferee at the time of such contribution or Distribution. In the case of contributed services, if any, the Net Asset Value shall be equal to the value thereof determined as provided in Section 3.1(a) hereof at the time of the contribution.

(x) **“Net Available Cash”** means, for any period, the lesser of: (i) cash on hand (including any cash being held by the Finance Member in its accounts) less the Reserve Amount; or (ii) the Company’s gross cash receipts for the applicable period derived from any source whatsoever (including, without limitation, from borrowings, sale of property, or the release of funds previously set aside as a reserve), in either case less the portion thereof used to pay or establish reasonable reserves as determined by the Management Board, for all Company expenses, asset acquisitions, capital improvements, expansions, repairs, replacements, contingencies, the Reserve Amount, and any other proper cash expenditure of the Company determined by the Management Board as provided in Section 3.1 hereof. **“Net Available Cash”** shall not be reduced by depreciation, amortization, cost recovery deductions or similar allowances.

(y) **“Operating Plan”** means the operating plan for the Company’s business operations as created and modified from time to time by the Management Board as provided herein.

(z) **“Percentage Holdings”** of a Member means the ratio of the Units owned by such Member to the total outstanding Units of the Company owned by all Members of all Units then outstanding.

(aa) **“Person”** shall mean any individual and any legal entity.

(bb) **“Prime Rate”** shall mean the prime rate of interest in effect from time to time at JPMorgan Chase Bank, N.A., or if such bank should cease to exist or to announce a prime rate, then at such other banking institution as shall be designated by the Finance Member.

(cc) **“Reserve Amount”** shall be set by the Management Board from time to time at an amount of up to \$_____ per year for the first four years of the Term of the Lease in order to create a reserve to pay for the mid-term capital expenditures required under the Lease.

(dd) **“Stores”** shall have the meaning set forth in Section 1.5.

(ee) **“Treasury Regulations”** shall mean the Income Tax Treasury Regulations promulgated under the Code as such Treasury Regulations may be amended and in effect from time to time (including corresponding provisions of succeeding Treasury Regulations).

(ff) **“Tax Distribution”** shall mean a portion of the Company’s then cumulative Profits (as defined in Section 8.1.11) after taking into account all prior Losses (as defined in Section 8.1.11) equal to the highest then current applicable marginal taxation rate for the applicable tax year (less prior Tax Distributions), payable out of the Net Available Cash based on the priority of payments set forth in Sections 7.1 or 11.2, as applicable, to the Members pari-passu, so that each Member shall receive a share of funds paid-out equal to the then value of its Capital Account divided by the sum of all Capital Accounts held by Members of the Company.

(gg) **“Units”** shall be the measure by which each Member’s Member Interest and/or Economic Interest is determined, even though such ownership may be different from (more or less than) the holder’s proportionate Capital Account. A transfer of Units will include a transfer of the Capital Account that is attributable to such Units as of the effective date of such transfer determined in accordance with this Agreement, and such will be determined on a proportionate basis if fewer than all of the Units owned by any Member or Assignee are being

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transferred by such Member or Assignee (rounded down to the nearest whole number to avoid fractional Units and partial votes).

ARTICLE II

CAPITAL CONTRIBUTIONS

II.1 INITIAL CAPITAL CONTRIBUTIONS. Each of the Members shall make the contributions to capital of the Company in the amounts and on the dates shown on Exhibit A attached hereto, representing a good faith estimate of the aggregate amount of capital required as calculated in Section 2.2 below. Each Member's Member Interest in the Company, Units and the Percentage Holdings of each Member as of the date hereof as is set forth next to such Member's name on Exhibit A hereto. Ultimately each Member shall be required to contribute to the Company as its "Minimum Capital Contribution" a sum equal to no less than its pro-rata share of twenty percent (20%) of all costs related to the design, development and construction, licensing costs, pre-opening and training costs related to the Stores as well as its pro-rata share of all "construction chargebacks" required by the Port and utility companies and any acquisition costs related to the buyout of assets owned by any incumbent operator ("**Aggregate Development Costs**"), with such pro-rata share being equal to each Member's Percentage Holdings in the Company. The present estimate for the Aggregate Development Costs is approximately \$ _____. ISL as Finance Member will issue capital call notices when capital infusions are necessary. The approximate dates for such calls are as shown on Exhibit A. Failure to provide such capital contributions within 30 days following issuance of notice and request for payment by ISL shall be considered a Material Breach hereunder. Upon receipt of such funds, the Company shall credit each Member's capital account for its payment.

II.2 ADDITIONAL CAPITAL CONTRIBUTIONS. In addition, to the extent that the Minimum Capital Contribution exceeds the amount of capital paid in under section 2.1 above any such excess shall be due within thirty (30) days after receipt of written "**Notice of Request for Additional Capital**". Any Notice of Request for Additional Capital shall be made within thirty (30) days of the date ISL determines that such additional capital contribution is necessary. ISL shall be responsible for issuance of such notices. Failure to provide such capital contributions within 30 days following issuance of notice and request for payment by ISL shall be considered a Material Breach hereunder. Upon receipt of such funds, the Company shall credit each Member's capital account for its payment.

II.3 WITHDRAWAL OF CONTRIBUTIONS. No Member shall have the right to withdraw or demand the return of all or any part of its Capital Contributions except as agreed in writing by all of the Members.

II.4 LOANS.

(a) ISL shall provide the Company with a "**Development Loan**" or facilitate third-party financing for a sum equal to difference between Aggregate Development Costs incurred and the aggregate amount of capital contributed to the Company under Sections 2.1 and 2.2 above, up to a maximum amount equal to eighty percent (80%) of funding required. Funding shall be advanced as necessary to pay applicable invoices. All other Members shall have the right to participate as a lender in such loan up to an amount equal to its Percentage Holdings of the aggregate amount of the loan. The loan shall bear interest at the rate equal to Prime Rate plus three percent (3%) from date of advance (but such interest shall in no event be less than ISL's then-current borrowing rate). Interest shall be payable monthly in arrears commencing on the last day of the first full month following initial commencement of operations. Principal shall be payable (in accordance with Section 7.1 or 11.2 respectively) in arrears commencing with the end of the first calendar quarter following initial commencement of operations. Principal payments shall be payable in amounts as calculated by the Finance Member under Sections 7.1 or 11.2, as applicable.

(b) In addition, any Member may make "**Working Capital Loans**" to the Company in order to prevent or cure a default under the Lease. The amount of any such loan or advance shall not increase the Capital Account of the lending Member. The amount of any such loan or advance shall be a debt due from the Company to such lending Member and shall be repayable on such terms and conditions as are set forth in the applicable loan documents approved by the Management Board, provided that such indebtedness shall bear interest at the rate of Prime Rate plus three percent (3%) (but such interest shall in no event be less than ISL's then-current borrowing rate). The loan may be secured, if required by the lending Member and agreed to by the Management Board. Such

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loan shall be repaid, together with interest, prior to the time any Principal payments on the Development Loan or Distributions are made to the Members unless provided otherwise in the loan documents.

ARTICLE III

DECISIONS REQUIRING SUPERMAJORITY VOTE OF THE MANAGERS, UNANIMOUS CONSENT OF THE MEMBERS; RIGHTS AND DUTIES OF GENERAL MANAGER

III.1 DECISIONS REQUIRING SUPERMAJORITY VOTE OF THE MANAGERS OR UNANIMOUS CONSENT OF THE MEMBERS.

(a) The following decisions shall require the approval and/or consent of the representative appointed by ISL and at least two (2) of representatives appointed by the ACDBE Members to the Management Board:

- (i) Admit a Person as a new Member, except as provided in Articles IX, X, and XI of this Agreement.
- (ii) Modify, compromise or release the amount and character of the capital contributions which a Member is to make or promises to make hereunder.
- (iii) Confess a judgment against the Company.
- (iv) Do any act materially in contravention of this Agreement.
- (v) Amend or rescind any provision of this Agreement.

(b) Any decisions required hereunder to be made with the unanimous consent of the Members shall either be made at a meeting of the Members held in accordance with the terms of this Agreement, or with the written consent of the Members in accordance with the terms of this Agreement.

III.2 FEES AND EXPENSE REIMBURSEMENTS TO MEMBERS.

(a) ISL shall receive an annual fee equal to one percent (1.00%) of the gross receipts (excluding sales taxes) of the Company computed on an accrual basis. The fee shall be payable on a pari-passu basis with the percentage fees payable to the ACDBE Members under Section 3.2(b) below in monthly increments in arrears on the 15th day of the following month to the extent of funds available after payment of obligations of a higher priority as described in Section 7.1. If there are insufficient funds to pay the entire fee due for any particular month, the unpaid amount shall be accrued and paid when and as funds are available (on a pari-passu basis with any deferred funds under Section 3.2(b) below) unless the Management Board elects otherwise.

(b) Each ACDBE Member shall receive an annual fee of one-quarter of one percent (0.25%) of gross receipts (excluding sales taxes) of the Company computed on an accrual basis. The fees shall be payable on a pari-passu basis with the percentage fees payable to the ISL under Section 3.2(a) above in monthly increments in arrears on the 15th day of the following month to the extent of funds available after payment of obligations of a higher priority as described in Section 7.1. If there are insufficient funds to pay all fees due for any particular month, the unpaid amount shall be accrued and paid when and as funds are available (on a pari-passu basis with any deferred funds under Section 3.2(a) above) unless the Management Board elects otherwise.

(c) Payment of all of the foregoing fees is subordinate to payments due to third parties and other payments due with a higher order of priority as described in Section 7.1 hereof. However, if there are insufficient funds to pay the Fees in total in any calendar year, the unpaid amounts shall not be accrued and paid in the following year, unless the Management Board elects otherwise.

(d) The members of the Management Board shall not receive a salary or be reimbursed expenses for attendance at meetings unless otherwise authorized by the Management Board, except the Company shall

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reimburse the members of the Management Board for reasonable travel expenses to attend such meetings and for expenses incurred on behalf of the Company.

III.3 ACCESS TO COMPANY RECORDS. Upon the request of any member of the Management Board, the Finance Member shall allow such member of the Management Board, or such Member's representative, to inspect and copy, at the Company's expense, the Company records required to be maintained by Section 3.8 hereof.

III.4 GENERAL MANAGER. The day-to-day business and affairs of the Company arising in the ordinary course of business shall be managed by a designated general manager (the "**General Manager**"). The General Manager(s) shall be hired by the Management Board and shall be an employee of the Company working full-time at the Airport for a salary and bonus plan determined by the Management Board from time to time. The General Manager(s) shall act in good faith and in a manner that the General Manager(s) reasonably believes to be in the best interests of the Company and its Members. The General Manager(s) shall report to the Management Board. The General Manager may be removed by majority vote of the Management Board, provided that the quorum rules of Section 4.6 have been duly applied.

III.5 RESPONSIBILITIES OF THE MEMBERS. Notwithstanding any other provision of this Agreement, each of the Members shall have the responsibilities and overall authorities described under Exhibit "B" attached hereto.

III.6 OPERATIONAL RESPONSIBILITIES OF THE GENERAL MANAGER. The General Manager shall be responsible for the following actions:

- (a) Hiring, disciplining and firing of all other employees of the Company.
- (b) Preparation of annual staffing plan for submission to the Management Board for approval which will include proposed positions and their wage rates and applicable hours of operation.
- (c) Supervision of all operations, including selection of products.
- (d) Enforcement of employee manual and implementation of employee best practices to include benefits, training procedures, legal compliance and other policies based on input from the Members with the final product subject to the review and approval of the Management Board.
- (e) Operating the Stores on a day-to-day basis to maintain superior service levels and customer satisfaction and achieve Profits set by the Management Board.
- (f) Such other duties and responsibilities as may be assigned by the Management Board.

III.7 AUTHORITY TO BIND THE COMPANY. The Members acknowledge and agree that the Company will be managed by a Management Board. As a result, unless authorized in writing to do so by this Agreement, no Member (including the Finance Member), agent, or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

III.8 FINANCE MEMBER GENERAL RESPONSIBILITIES: ACCOUNTING MATTERS, STATEMENTS AND RECORDS.

(a) The Finance Member shall perform the functions and have the responsibilities described in Exhibit "C" attached hereto, as modified from time to time by the Management Board. The Finance Member shall receive a payment (the "**FM Charges**") equal to four percent (4%) of gross receipts (excluding sales taxes) of the Company computed on an accrual basis to reimburse the Finance Member for the costs of providing the services described in Exhibit C. Payments shall be made no later than the 15th of the following month and FM Charges shall be treated as a first priority payment obligation of the Company under Section 7.1 below.

(b) The Finance Member shall prepare on behalf of the Company all financial statements in accordance with GAAP, except (i) depreciation and amortization which shall be calculated in accordance with

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applicable Treasury Regulations, (ii) for matters which will not have a material impact on the applicable financial statement or schedule, or (iii) as may otherwise be specified in this Agreement.

(c) The Finance Member shall provide all Management Board representatives on a quarterly basis with a balance sheet, income statement, cash flows statement, and statement of changes in Members' Capital Accounts, all in such form as the Management Board deems necessary and appropriate. The Finance Member will circulate to the Management Board monthly short-form income statements and such additional information as may be prudent from time to time.

(d) At the expense of the Company, the Finance Member shall maintain at the Company's registered office the records required to be maintained pursuant to the Act. Each Member or its designated representative, upon reasonable notice to the other Member, shall have real-time access to the Company's financial books, records, and documents during reasonable business hours and may inspect and make copies of any of them.

(e) The Finance Member may be removed and replaced by the Management Board, with each representative voting based on the number of Units held by the entity he/she represents.

III.9 TAX RETURNS AND OTHER ELECTIONS; PARTNERSHIP REPRESENTATIVE; FINANCIAL STATEMENTS. The Finance Member shall at the expense of the Company cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's Fiscal Year. Except to the extent specifically provided otherwise in this Agreement, all elections permitted to be made by the Company under federal or state laws shall be made by the Members. The Finance Member shall be designated as the "**Partnership Representative**" of the Company for purposes of Section 6223 of the Code and shall have the full power and authority to act on behalf of the Company and the Members as provided in the Code; without limiting the foregoing, the Partnership Representative shall be authorized and required to represent the Company in connection with all examinations of the Company's affairs by tax authorities (federal, state and local), including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. To the extent permitted by the Code, the Partnership Representative may be removed by unanimous vote of the Members. The Finance Member shall cause the Company's annual financial statements to be reviewed on an annual basis by an accounting firm selected by the Members, at the expense of the Company. In addition, the Finance Member shall prepare applicable audit reports and other information required from time to time under the Lease, or if required to do so by the Lease, retain an outside accountant to do so, in which case the Company shall pay such third party its reasonable fees for such work.

III.10 BANK ACCOUNTS. The Finance Member may from time-to-time open bank accounts in the name of the Company, and the Finance Member shall designate and may remove from time to time, at its discretion, all signatories on such bank accounts. All gross receipts of the Company shall be deposited into such account, shall not be commingled with any funds of any Member, and used solely to pay the expenses of the Company and issue authorized Distributions to the Members.

III.11 AUDIT. Any Member may, at its option and expense, cause an audit to be performed of the Company. However, if the accounting reveals a material discrepancy in the books and records of the Company (meaning a 10% variance or greater between the reported Profits for the period and the revised Profits for the period), the Member causing such discrepancy shall pay all costs and fees relating to such accounting.

III.12 OFFSITE WAREHOUSE MANAGEMENT. ISL will provide all offsite storage and bonded warehousing, shipping and transportation services, necessary insurance and bonding services for the Company and shall be reimbursed for "Shared Service Costs" through a monthly payment equal to 4% of gross receipt (excluding sales taxes). Payments shall be made no later than the 15th of the following month and Shared Service Costs shall be treated as a first priority payment obligation of the Company under Section 7.1 below.

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ARTICLE IV

MEETINGS OF MANAGEMENT BOARD

IV.1 MANAGEMENT BOARD MEETINGS. A quarterly meeting of the Management Board shall be held on the first (1st) Friday of the first (1st) month of each calendar quarter commencing with the month of 2024 (unless that day is a legal holiday, in which event the quarterly meeting will be held on the next succeeding business day) or on such other day as may be agreed by the members of the Management Board or the Members, as set forth in the notice given, or waiver signed, with respect to such meeting pursuant to Section 4.4 hereof. At such meetings, the Management Board shall transact such business as may come before the meeting. A record of the minutes of all meetings and any actions taken by the Management Board shall be kept on file and maintained by the Finance Member at the Company's registered office.

IV.2 SPECIAL MEETINGS. Special meetings of the Management Board, for any purpose or purposes, unless otherwise prescribed by statute, may be called by either Member.

IV.3 PLACE OF MEETINGS. Meetings of the Management Board may be held within or outside the State of New York and shall be held at the place designated by the party calling the meeting as is designated in the notice of the meeting. If no designation is made, the place of meeting shall be the principal office or location of the Company in the State of New York. Generally, the parties agree that meetings will be in Valley Stream, New York.

IV.4 NOTICE OF MEETING. Except as provided in Section 4.2 hereof, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five (5) nor more than thirty (30) days before the meeting is called. Such notice shall be deemed to have been given only if such notice is reduced to writing and is (i) delivered personally, (ii) sent by United States mail with postage prepaid and return receipt requested, or (iii) transmitted by email or telecopier ("fax") to the party in question. Any notice given by mail shall be deemed delivered five (5) days following the date upon which it is deposited in the United States mail, with postage prepaid and return receipt requested. Any notice given by email or fax shall be deemed delivered upon the date it is actually transmitted by email or fax to the party in question at the email address or fax number set forth herein.

IV.5 MEETING OF ALL MEMBERS OF THE MANAGEMENT BOARD. If all of the members of the Management Board meet at any time and place, either within or outside of the State of New York, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and lawful action may be taken at such meeting.

IV.6 QUORUM. Two (2) members of the Management Board, at least one (1) of whom shall be representing an ACDBE Member, represented in person or by proxy, shall constitute a quorum at any duly called meeting of the Management Board. In the absence of a quorum at any such meeting, the members of the Management Board in attendance may adjourn the meeting from time to time for a period not to exceed ten (10) days without further notice. However, if the adjournment is for more than five (5) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of the Management Board entitled to vote at the meeting. Telephonic presence shall be considered presence for purposes of this provision. Notwithstanding the foregoing, if the representative for all ACDBE Members fail or refuse to attend the meeting either in person or by telephone connection the meeting will be automatically postponed for 48 hours and if the representatives for all ACDBE Members fail or refuse to attend the second meeting the other member(s) of the Management Board shall constitute a quorum at any such meeting and may carry on the business of the Management Board as otherwise described in this Agreement.

IV.7 TELEPHONE CONFERENCE CALL. The members of the Management Board may participate in a meeting of the Management Board by means of telephone conference or similar communications equipment by which all persons participating in the meeting can simultaneously hear and communicate with each other. Participation in such a meeting shall constitute presence in person at such meeting.

IV.8 MANNER OF ACTING. With respect to each matter brought before the Management Board, each member of the Management Board shall be entitled to a number of votes equal to the number of Units in the Company held by entity he/she represents. A majority vote of the number of represented Units voting shall be the act of the

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Management Board, unless the vote of a greater or lesser proportion or number is expressly required by this Agreement. Voting will be by ballot on any question as to which a ballot vote is demanded prior to the time voting begins on a particular issue by any person entitled to vote on such issue; otherwise, a voice vote will suffice.

IV.9 PROXIES. At all meetings of the Management Board, and any adjournments thereof, a member of the Management Board may vote in person or by proxy executed in writing by such member of the Management Board or by its duly authorized attorney-in-fact. Such proxy shall be filed with the records of the Management Board before or at the time of the meeting. No proxy shall be valid after thirty (30) days from the date of its execution, unless otherwise provided in the proxy. The burden of proving the validity of any undated, irrevocable, or otherwise contested proxy will rest with the person seeking to exercise the same.

IV.10 ACTION WITHOUT A MEETING. Action required or permitted to be taken at a meeting of the Management Board may be taken without a meeting if the action is presented to all members of the Management Board with reasonable time for review and evidenced by one or more written consents describing the action taken, signed by at least two (2) members of the Management Board and delivered to the Finance Member for inclusion in the minutes or for filing with the Company records. Action taken pursuant to this Section 4.10 is effective when at least four (4) members of the Management Board have signed the consent, unless the vote of a greater proportion or number is expressly required by this Agreement, or the consent specifies a different effective date.

IV.11 WAIVER OF NOTICE. When any notice is required to be given to any member of the Management Board, a waiver thereof in writing signed by such person or a duly authorized representative thereof entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member at any meeting of the Management Board shall constitute waiver of notice of such meeting by the member, except where the member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.12 FIDUCIARY DUTIES. A Member owes to the Company and the other Member(s) only the fiduciary duties set forth in this Agreement. A Member's fiduciary duties are limited to: (a) accounting to the Company and holding as trustee for it any property, profit or benefit derived by the Member in the conduct and/or winding up of the Company's business and from using the Company's property and, (b) in conducting and/or winding up of the Company's business, refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law. Otherwise, each Member hereby waives, to the greatest extent permitted by law, any and all other fiduciary duties it may have to the Company or the other Member(s).

ARTICLE V

RIGHTS AND OBLIGATIONS OF MEMBERS; NONCOMPETITION; EXCLUSIVE DUTY; CONFIDENTIAL INFORMATION; OPERATING RESPONSIBILITIES

V.1 LIMITATION OF LIABILITY; INDEMNIFICATION. Each Member's liability for the debts and obligations of the Company shall be limited as set forth in the Act and other applicable law. The Company shall indemnify each Member (including the Finance Member) to the fullest extent permitted under the Act, except for theft, or fraudulent or illegal acts or omissions.

V.2 ACCESS TO COMPANY RECORDS. Upon the written request of any Member, the Finance Member shall allow such Member to inspect and copy, at the Member's expense, the Company records required to be maintained by Section 3.8 hereof.

V.3 NONCOMPETITION. The ACDBE Members, each on behalf of itself and any successor agrees that, for as long as it owns any Member Interest in the Company, it shall not engage (other than through the Company), directly or indirectly, in the business of the operation of an airport duty-free or other retail store at the Airport. Nothing herein shall prohibit any of them from engaging, directly or indirectly, in the operation of any other type of business, whether or not affiliated with Airport or any other airport. Olympic, Shekinah, Nexo, and Byrd each acknowledge and agree that any breach by it of its obligations set forth in this Section 5.3 will result in irreparable harm and injury to the Company, ISL or both. Therefore, Olympic, Shekinah, Nexo and Byrd each specifically agrees that, in the event of the breach by it of its obligations set forth in this Section 5.3, the Company and ISL shall be entitled to such equitable remedies as are available, including, without limitation, specific performance and injunctive

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relief, without being required to furnish a bond. The foregoing covenants and agreements shall be binding on any successor to any of them.

V.4 **NO EXCLUSIVE DUTY/RIGHT OF FIRST DISCUSSION.** The Members may participate in other business activities separate from those of the Company (including in the case of ISL operating other retail stores and restaurants at the Airport) and except as prohibited in Section 5.3 and this Section 5.4, other activities which compete with those of the Company, without requiring the consent of the other Members. The Members agree that a Member's participation in a competitive business described in the previous sentence shall not constitute a violation of the duty of loyalty to the Company or to the other Members. Nothing in this Agreement shall be construed to grant any right, privilege or option to any Member to participate in any other business or investment in which any other Member may participate.

V.5 **CONFIDENTIALITY.** The business plans, financial data, information concerning compensation, information concerning the administration, structure and policies of the Company or any of its subsidiaries, and methods and means of production are the valuable, special, unique and proprietary assets of the Company or ISL, to the extent developed by ISL and licensed to the Company by ISL. All such information, together with any other information or data which Olympic, Shekinah, Byrd, or Nexo knows or has reason to believe is deemed confidential by the Company is referred to herein as the "**Confidential Information.**" Except in furthering the business of the Company, or upon the mutual agreement of the Members, Olympic, Shekinah, Byrd, and Nexo shall not disclose any Confidential Information to any Person for any reason or purpose whatsoever, nor shall they make use of any Confidential Information for their own benefit or for the benefit of any Person other than the Company. Upon the transfer of any Member Interest, that Member shall promptly return to the Company all originals and copies of the Confidential Information which are in its possession, custody or control. Any unauthorized use of any of the foregoing Confidential Information shall be, inter alia, a Material Breach hereunder permitting the non-breaching Members to terminate this Agreement and cause the dissolution of the Company. Notwithstanding the foregoing, Members shall not have any liability to the Company for disclosing Confidential Information to their attorneys, accountants or retained professionals, or the extent that the Member proves that the Confidential Information was in the public domain at the time of disclosure, was known to the party to whom it was disclosed, without restriction, at the time of disclosure, or such disclosure is required by order of court or government agency. The foregoing is not intended to obviate or circumvent the enforceability of Article XII of this Agreement.

V.6 **PRIORITY AND RETURN OF CAPITAL.** Except as otherwise set forth in this Agreement, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses, or Distributions; provided that this Section 5.6 shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

ARTICLE VI

MEETINGS OF MEMBERS

VI.1 **ANNUAL MEETING.** An annual meeting of the Members shall be held on the 1st Friday in March of each year beginning in 2023 (unless that day is a legal holiday, in which event the annual meeting will be held on the next succeeding business day), at a time and place as determined by the Finance Member or, in the absence of action by the Management Board, as set forth in the notice given, or waiver signed, with respect to such meeting pursuant to Section 6.4 hereof. At the annual meeting, Members shall transact such business as may come before the meeting.

VI.2 **SPECIAL MEETINGS.** Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by either Member.

VI.3 **PLACE OF MEETINGS.** Meetings of Members may be held within or outside the State of New York and shall be held at the place designated by the Member calling the meeting, in such place as is designated in the notice of the meeting. If no designation is made, the place of meeting shall be Valley Stream, New York.

VI.4 **NOTICE OF MEETINGS.** Except as provided in Section 6.5 hereof, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five (5) nor more than thirty (30) days before the meeting is called. Such notice shall be deemed to have been

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given only if such notice is reduced to writing and is (i) delivered personally, (ii) sent by United States mail with postage prepaid and return receipt requested, or (iii) transmitted by e-mail or fax to the party in question. Any notice given by mail shall be deemed delivered five (5) days following the date upon which it is deposited in the United States mail, with postage prepaid and return receipt requested. Any notice given by e-mail or fax shall be deemed delivered upon the date it is actually transmitted by fax to the party in question at the e-mail address or fax number set forth herein.

VI.5 MEETING OF ALL MEMBERS. If the Members meet at any time and place, either within or outside of the State of New York, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and lawful action may be taken at such meeting.

VI.6 RECORD DATE. For the purpose of determining Members entitled to notice of and to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members, unless the Finance Member shall have fixed in advance a record date that shall not be less than one (1) nor more than twenty (20) days prior to the date of such meeting or other action. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 6.6, such determination shall apply to any adjournment thereof; provided, however, that the Finance Member may fix a new record date for any adjourned meeting and further provided that the adjournment or adjournments of any such meeting shall not exceed ten (10) days in the aggregate or a new record date shall be fixed.

VI.7 QUORUM. Members holding at least sixty-one percent (61.00%) of the Units in the Company, represented in person or by proxy, shall constitute a quorum at any duly called meeting of Members. In the absence of a quorum at any such meeting, a majority of the Percentage Holdings so represented may adjourn the meeting from time to time for a period not to exceed ten (10) days without further notice. However, if the adjournment is for more than five (5) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

VI.8 MANNER OF ACTING. Except as provided in Section 3.1 hereof, all voting shall be by Percentage Holdings (and not on a one-vote by Member basis) and the affirmative vote of at least sixty-one percent (61.00%) of the Units in the Company shall be the act of the Members, unless the vote of a greater or lesser proportion or number is expressly required by the Act, or by this Agreement. Voting will be by ballot on any question as to which a ballot vote is demanded prior to the time voting begins on a particular issue by any Person entitled to vote on such issue; otherwise, a voice vote will suffice.

VI.9 PROXIES. At all meetings of Members, and any adjournments thereof, a Member may vote in person or by proxy executed in writing by the Member or by his or its duly authorized attorney-in-fact. Such proxy shall be filed with the Finance Member before or at the time of the meeting. No proxy shall be valid after thirty (30) days from the date of its execution, unless otherwise provided in the proxy. The burden of proving the validity of any undated, irrevocable, or otherwise contested proxy will rest with the Person seeking to exercise the same.

VI.10 ACTION BY MEMBERS BY TELEPHONE CALL OR WITHOUT A MEETING. Members may participate in a meeting of the Members by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear and communicate with each other. Participation in such a meeting shall constitute presence in person at such meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, with counterparts signed by Members holding 61% of the Units in the Company and delivered to the Finance Member for inclusion in the minutes or for filing with the Company records. Actions taken pursuant to this Section 6.10 shall be effective when the Members with the requisite Percentage Holdings have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

VI.11 WAIVER OF NOTICE. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Member or a duly authorized representative thereof entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

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ARTICLE VII

DISTRIBUTIONS PRIOR TO LIQUIDATION

VII.1 DISTRIBUTIONS OF NET AVAILABLE CASH. Subject to the terms of this Agreement and at all times prior to the dissolution of the Company and the commencement of the liquidation of its assets and winding up of its affairs (in which case the provisions of Section 11.2 shall control), the Finance Member, promptly following the end of each Fiscal Year and at such other times during the year as the Finance Member may deem appropriate, shall determine and may, in its sole discretion, distribute the Company's then Net Available Cash for such Fiscal Year (or Fiscal Year to date, as applicable) in accordance with the following priority of payment schedule:

- (a) First to pay all third-party invoices for goods and services, Shared Service Costs (as described in Section 3.12) and the FM Charges (as described in Section 3.8(a), then to the extent of funds available;
- (b) Second to pay off all interest and principal outstanding on all Working Capital Loans (as described in Section 2.4(b) above) for things like inventory, pre-opening costs, training etc., with payments to be made pari-pasu to Members based on the comparative amount advanced by each, then to the extent of funds available;
- (c) Third to interest accrued and unpaid on the Development Loan, with payment to be made to Members on a pari- pasu basis based on the comparative amount advanced by each, then to the extent of funds available;
- (d) Fourth to any Reserve for future costs set up by the Management Committee (such as the reserve for midterm expenditures), then to the extent of funds available;
- (e) Fifth to non-accruing Management Fees (as described in Section 3.2(a) & (b) above) split among the Members as described in Section 3.2(a) & (b), then to the extent of funds available;
- (f) Sixth to a Tax Distribution to the Members (to the extent required to cover off income taxes due on the Company's taxable Profits, determined after subtracting depreciation and amortization), then to the extent of funds available;
- (g) Seventh to principal due on the Development Loan with payments to be made pari pasu to Members who funded such loan based on the comparative amount each advanced, then to the extent of funds available;
- (h) Eighth to the Members a sum equal to their capital account balances (with pro-rata distributions based on capital account balances until each capital account equates to the Percentage Holdings held by such Member); and finally, then to the extent of funds available
- (i) Ninth to the Members based on their respective Percentage Holdings in the Company.

VII.2 DISTRIBUTIONS IN LIQUIDATION. Upon the occurrence of a dissolution event set forth in Section 11.1, the commencement of winding up and the liquidation of its assets, all Distributions to the Members shall be governed by Article XI hereof.

VII.3 AMOUNTS WITHHELD. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or Distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section.

ARTICLE VIIIALLOCATION OF PROFITS AND LOSSES

VIII.1 ACCOUNTING DEFINITIONS. The following terms, which are used predominantly in this Article VIII, shall have the meanings set forth below for all purposes under this Agreement:

8.1.1 "Adjusted Capital Account Balance" means, with respect to any Member, the balance of such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (a) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to this Agreement or as determined pursuant to Treasury Regulations Section 1.704-1(b)(2)(ii)(c), or is

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deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in clauses (4), (5) and (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

8.1.2 **“Book Value”** means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Book Value for any asset (other than money) contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Finance Member at the time of such contribution;

(b) Intentionally Deleted.

(c) The Book Value of any Company asset distributed to any Member shall be adjusted to equal its gross fair market value on the date of Distribution;

(d) The Book Value of the Company’s assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) and Section 8.3(g) hereof; provided, however, that Book Value shall not be adjusted pursuant to this subsection (d) to the extent that an adjustment pursuant to subsection (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (d); and

(e) If the Book Value of an asset has been determined or adjusted pursuant to subsection (a), (b) or (d) above, such Book Value shall thereafter be adjusted by the Depreciation taken into account from time to time with respect to such asset for purposes of computing Profits and Losses.

8.1.3 **“Capital Account”** means, with respect to any Member, the Capital Account maintained for such Person in accordance with the following provisions:

(a) To each such Member’s Capital Account there shall be credited such Member’s Capital Contributions, such Member’s distributive share of Profits and any items in the nature of income or gain that are specially allocated pursuant to Sections 8.3 and 8.4 hereof, and the amount of any Company liabilities assumed by such Member (excluding assumed liabilities that have been taken into account in computing the Net Asset Value of any Company property distributed to such Person);

(b) To each such Member’s Capital Account there shall be debited the amount of cash and the Net Asset Value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Person’s distributive share of Losses, and any items in the nature of expenses or losses that are specially allocated pursuant to Sections 8.3 and 8.4 hereof, and the amount of any liabilities of such Member assumed by the Company (excluding assumed liabilities that were taken into account in computing the Net Asset Value of any property contributed by such Member to the Company);

(c) In the event any Member Interests in the Company are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Member Interest;

(d) Section 752(c) of the Code shall be applied in determining the amount of any liabilities taken into account for purposes of this definition of **“Capital Account”**; and

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(e) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

8.1.4 “**Company Minimum Gain**” has the same meaning as the term “partnership minimum gain” under Treasury Regulations Section 1.704-2(d).

8.1.5 “**Depreciation**” means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if such depreciation, amortization or other cost recovery deductions with respect to any such asset for federal income tax purposes is zero for any Fiscal Year, Depreciation shall be determined with reference to the asset’s Book Value at the beginning of such year using any reasonable method selected by the Finance Member.

8.1.6 “**Member Nonrecourse Debt**” has the same meaning as the term “partner nonrecourse debt” under Section 1.704-2(b)(4) of the Treasury Regulations.

8.1.7 “**Member Nonrecourse Debt Minimum Gain**” has the same meaning as the term “partner nonrecourse debt minimum gain” under Section 1.704-2(i)(2) of the Treasury Regulations and shall be determined in accordance with Section 1.704-2(i)(3) of the Treasury Regulations.

8.1.8 “**Member Nonrecourse Deductions**” has the same meaning as the term “partner nonrecourse deductions” under Treasury Regulations Section 1.704-2(i)(1). The amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for each Fiscal Year of the Company equals the excess (if any) of the net increase (if any) in the amount of Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt during such Fiscal Year over the aggregate amount of any Distributions during such Fiscal Year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent that such Distributions are from the proceeds of such Member Nonrecourse Debt which are allocable to an increase in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(2) of the Treasury Regulations.

8.1.9 “**Nonrecourse Debt**” or “**Nonrecourse Liability**” has the same meaning as the term “nonrecourse liability” under Section 1.704-2(b)(3) of the Treasury Regulations.

8.1.10 “**Nonrecourse Deductions**” has the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations. The amount of Nonrecourse Deductions for a Company Fiscal Year equals the excess (if any) of the net increase (if any) in the amount of Company Minimum Gain during that Fiscal Year over the aggregate amount of any distributions during that Fiscal Year of proceeds of a Nonrecourse Debt that are allocable to an increase in Company Minimum Gain, determined according to the provisions of Section 1.704-2(c) of the Treasury Regulations.

8.1.11 “**Profits**” or “**Losses**” means, for each Fiscal Year or other period, the taxable income or taxable loss of the Company as determined under Code Section 703(a) (including in such taxable income or taxable loss all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code) with the following adjustments (without duplication):

(a) All items of gain or loss resulting from any disposition of the Company’s property shall be determined upon the basis of the Book Value of such property rather than the adjusted tax basis thereof;

(b) Any income of the Company that is exempt from federal income tax shall be included in determining profit or loss;

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(c) Any expenditures of the Company that are described in Code Section 705(a)(2), or treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and that are not otherwise taken into account in the computation of taxable income or loss of the Company, shall be deducted in the determination of Profits or Losses;

(d) If the Book Value of any Company asset is adjusted pursuant to subsection (b) or (c) of the definition of “**Book Value**” set forth in this Article VIII, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses unless such gain or loss is specially allocated pursuant to Section 7.3 hereof;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in determining such taxable income or loss, there shall be deducted Depreciation, computed in accordance with the definition of such term in this Article VIII;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any of the foregoing provisions, any items that are specially allocated pursuant to Section 8.3 or 8.4 hereof shall not be taken into account in computing Profits or Losses.

1.2 PROFITS AND LOSSES.

(a) Profits Allocations. After making any special allocations required under Section 8.3 hereof, Profits for each Fiscal Year (and each item of income and gain entering into the computation thereof) shall be allocated among the Members (and credited to their respective Capital Accounts) in the following order and priority:

(i) First, to the Members until the cumulative Profits allocated pursuant to this Section 8.2(a)(i) are equal to the cumulative Losses, if any, previously allocated to the Members pursuant to Section 8.2(b)(iii) and Section 8.2(b)(iv), such Profits being allocated under this Section 8.2(a)(i) on a last-in first-out basis with respect to the Losses allocated under Section 8.2(b)(iii) and Section 8.2(b)(iv), for all prior periods in proportion to the Members’ respective shares of the Losses being offset;

(ii) Next, to the Members pro rata based on the amounts previously distributed to the Members pursuant to Section 7.1(d), until the Profits allocated to each Member pursuant to this Section 8.2(a)(ii) are equal to the amount previously distributed to such Member pursuant to Section 7.1(d); and

(iii) Thereafter, to the Members pari-passu, so that each Member shall be allocated a share of such Profits equal to the then value of its Capital Account divided by the sum of all Capital Accounts held by all of the Members of the Company

(b) Loss Allocations. After making any special allocations required under Section 8.3 hereof, Losses for each Fiscal Year (and each item of loss and deduction entering into the computation thereof) shall be allocated among the Members (and charged to their respective Capital Accounts) in the following order and priority:

(i) First, to the extent that Profits have previously been allocated to the Members for prior periods pursuant to Section 8.2(a)(iii) hereof, Losses shall be allocated to the Members to offset such Profits in proportion to the Members’ respective shares of the Profits being offset.

(ii) Next, to the extent that Profits have previously been allocated to the Members for prior periods pursuant to Section 8.2(a)(ii) hereof, Losses shall be allocated to the Members to offset such Profits in proportion to the Members’ respective shares of the Profits being offset.

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(iii) The balance, if any, to the Members *pari-passu*, so that each Member shall be allocated a share of such Losses equal to the then value of its Capital Account divided by the sum of all Capital Accounts held by all of the Members of the Company.

(iv) Losses allocated to any Member's Capital Account in accordance with this Section 8.2(b) shall not exceed the maximum amount of Losses that can be so allocated without creating an Adjusted Capital Account Balance deficit with respect to such Capital Account. This limitation shall be applied individually with respect to each Member in order to permit the allocation pursuant to Section 8.2(b)(iv) of the maximum amount of Losses permissible under Treasury Regulations Section 1.704-1(b)(2)(ii)(d). All Losses in excess of the limitations set forth in this Section 8.2(b)(iv) shall be allocated solely to those Members that bear the economic risk for such additional Losses within the meaning of Code Section 704(b) and the Treasury Regulations thereunder. If it is necessary to allocate Losses under the preceding sentence, the Members shall, in accordance with the Treasury Regulations promulgated under Code Section 704(b), determine those Members that bear the economic risk for such additional Losses.

1.3 SPECIAL ALLOCATIONS. The allocation of Profits and Losses for each Fiscal Year shall be subject to the following special allocations in the order set forth below:

(a) *Intentionally Deleted.*

(b) Member Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for any Fiscal Year, each Member shall be specially allocated items of income and gain for such year (and, if necessary, for subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain during such year, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). Allocations pursuant to the preceding sentence shall be made among the Members in proportion to the respective amounts required to be allocated to each of them pursuant to such Treasury Regulation. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6). Any special allocation of items of Company income and gain pursuant to this Section 8.3(b) shall be made before any other allocation of items under this Article VIII. Section 8.3(b) is intended to comply with the "minimum gain chargeback" requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(c) Member Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease during a Fiscal Year in the Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt, then each Member with a share of the Member Nonrecourse Debt Minimum Gain attributable to such debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of income and gain for such year (and, if necessary, subsequent years) an amount equal to such Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(j)(4). Allocations pursuant to the preceding sentence shall be made among the Members in proportion to the respective amounts to be allocated to each of them pursuant to such Treasury Regulation. Any special allocation of items of income and gain pursuant to this Section 8.3(c) for a Fiscal Year shall be made before any other allocations under this Article VIII, except only for special allocations required under Section 8.3(a) hereof. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Section 8.3(c) is intended to comply with the provisions of Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(d) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or Distributions described in clauses (4), (5) or (6) of Treasury Regulations Section 1.704-1(b)(2)(ii)(d), items of income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate as quickly as possible, to the extent required by such Treasury Regulation, any deficit in such Member's Adjusted Capital Account Balance, such balance to be determined after all other allocations provided for under this Article VIII have been tentatively made as if this Section 8.3(d) were not in this Agreement.

(e) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 704-2(i)(5) of the Treasury Regulations, each such Member shall be specially allocated items of income and gain in the amount of such excess as quickly as possible, provided that an

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allocation pursuant to this Section 8.3(e) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 8.3 have been made as if Section 8.3(d) hereof and this Section 8.3(e) were not in this Agreement.

(f) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Members in proportion to their Percentage Holdings.

(g) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated, in accordance with Treasury Regulations Section 1.704-2(i)(1) to the Member or Members who bear the economic risk of loss for the Member Nonrecourse Debt to which such deductions are attributable.

(h) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset under Code Section 734(b) or 743(b) is required to be taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

1.4 CURATIVE ALLOCATIONS. The allocations set forth in subsections (a) through (h) of Section 8.3 hereof (“**Regulatory Allocations**”) are intended to comply with certain requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Article VIII (other than the Regulatory Allocations and the next two following sentences), the Regulatory Allocations shall be taken into account in allocating other Profits, Losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other Profits, Losses and other items, including gross income and deductions, and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred. For purposes of applying the preceding sentence, Regulatory Allocations of Nonrecourse Deductions and Member Nonrecourse Deductions shall be offset by subsequent allocations of items of income and gain pursuant to this Section 8.4 only if (and to the extent) that: (a) the Finance Member reasonably determines that such Regulatory Allocations are not likely to be offset by subsequent allocations under Section 8.3(b) or Section 8.3(c) hereof, and (b) there has been a net decrease in Company Minimum Gain (in the case of allocations to offset prior Nonrecourse Deductions) or a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt (in the case of allocations to offset prior Member Nonrecourse Deductions). The Finance Member shall apply the provisions of this Section 8.4, and shall divide the allocations hereunder among the Members, in such manner as he reasonably deems appropriate to minimize the economic distortions upon the Distributions to the Members that might otherwise result from the Regulatory Allocations.

1.5 GENERAL ALLOCATION RULES.

(a) Generally (and except as described above), all Profits and Losses allocated to the Members shall be allocated among them in proportion to their Percentage Holdings, except as otherwise specifically provided under the terms of this Agreement. In the event Members are admitted to the Company pursuant to Article IX hereof on different dates during any Fiscal Year, the Profits (or Losses) allocated to the Members for each such Fiscal Year shall be allocated among the Members in proportion to the Percentage Holdings that each Member holds from time to time during such Fiscal Year in accordance with Code Section 706, using any convention permitted by law and selected by the Finance Member. In such event, subsequent allocations of Profits or Losses pursuant to Section 8.2 hereof shall be allocated (i) first, so as to offset the Profits (or Losses) allocated for such Fiscal Year or years and (ii) the balance, if any, to the Members in proportion to their Percentage Holdings.

(b) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, using any method permissible under Code Section 706 and the Treasury Regulations thereunder.

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(c) For purposes of determining the Members' proportionate shares of the "excess nonrecourse liabilities" of the Company within the meaning of Treasury Regulations Section 1.752-3(a)(3), their respective interests in Member profits shall be in the same proportions as their Percentage Holdings.

(d) The Members are aware of the income tax consequences of the allocations made by this Article VIII and hereby agree to be bound by the provisions of this Article VIII in reporting their distributive shares of the Company's taxable income and loss for income tax purposes.

1.6 TAX ALLOCATIONS UNDER CODE SECTION 704(C). In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Book Value. The parties hereto intend that Code Section 704(c)(1)(A) and the Treasury Regulations thereunder be applied to allocate items of deduction and loss to the Company under the method of allocation permitted by the Treasury Regulations which results in the allocation of items of deduction and loss to the Company over the shortest period of time. In the event the Book Value of any Company asset is adjusted pursuant to subsection (b) of the definition of "Book Value" in Section 8.1 hereof, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder, provided, however, that unless otherwise determined by the Members, the Company shall not adopt the Traditional Method with Curative Allocations as defined under Treasury Regulations Section 1.704-3(e) or the Remedial Allocation Method as defined under Treasury Regulations Section 1.704-3(d) that would require any Member to report any item of income or gain for Treasury Regulations Section 704(c) purposes that differs in amount or timing from the taxable income that the Company allocates to such Member under Treasury Regulations Section 704(b). Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 8.6 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Person's Capital Account or share of Profits, Losses or other items or Distributions pursuant to any provision of this Agreement.

1.7 INTEREST ON AND RETURN OF CAPITAL CONTRIBUTIONS. No Member shall be entitled to interest on the Member's Capital Contribution or to the return of the Member's Capital Contribution, except as otherwise specifically provided for herein.

ARTICLE II

ADMISSIONS AND EXPULSIONS

II.1 ADMISSION OF MEMBER. No Person shall be admitted as a Member of the Company after the date of formation of the Company without the written consent or approval of ISL and at least one of the ACDBE Members, regardless of whether such Person has acquired any Member Interest in the Company from another Member or from the Company as an original issuance. Upon admission, the Member shall execute a counterpart of this Agreement or joinder thereof.

9.2 EXPULSION OF MEMBER. Upon any Material Breach by any Member under the terms of this Agreement which remains uncured for a period of thirty (30) days after written notice thereof from the Finance Member, the Member shall be expelled and thereafter shall cease to be a Member. An expelled Member shall retain its Economic Interest in the Company equal only to the then remaining balance of its Capital Account (as determined under the rules of the Internal Revenue Service) as of the date of the Material Breach, minus Distributions made to the Member in Material Breach subsequent to such date. The remaining Members shall have the right (by majority vote based on their respective Percentage Holdings) to cause the Company to purchase all of the Units owned by the expelled Member. The purchase price for all of the Units owned by the expelled Member shall be the value of the Capital Account of the expelled Member, as determined under the rules of the Internal Revenue Service, less any sums due the Company (such as unpaid capital contributions) by the expelled Member by promissory note or otherwise. Upon closing of the transfer, the defaulting Member will receive a promissory note from the Company for the then adjusted balance of its Capital Account. The promissory note shall bear interest at six percent (6.00%) and shall be payable in equal monthly payments over shorter of: five (5) years, or the then

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remaining balance of the term of the Lease. The Company shall have the right to resell and/or transfer such Units to ISL or to any third party on such terms as are approved by a majority vote (based on their respective Percentage Holdings in the Company) of the Members. In addition, the remaining Member(s) (by majority vote based on their respective Percentage Holdings in the Company) shall have the right to dissolve the Company under Article XI hereof and in such case Section 11.2(a) or 11.2(b), as applicable, shall govern.

ARTICLE III

RESTRICTIONS ON TRANSFERABILITY

III.1 RIGHT TO WITHDRAW. A Member may withdraw from the Company at any time by mailing or delivering a written notice of withdrawal to the other Members at its last known address set forth in the list maintained by the Company. In the event of such withdrawal such Member will be treated as an Economic Interest Holder hereunder and shall be entitled to its pro-rata share of Distributions otherwise payable to it under this Agreement and its allocation of Profits or Losses. However, if a Member withdraws prior to the expiration of the term of the Lease, such Member's withdrawal shall be considered a Material Breach of this Agreement and the remaining Members (by majority vote based on their respective Percentage Holdings in the Company) shall have the right to cause the Company to purchase all of the Units owned by the withdrawing Member. The purchase price for all of the Units owned by the withdrawing Member shall be the value of the Capital Account of the withdrawing Member, as determined under the rules of the Internal Revenue Service, less any sums due the Company (such as unpaid capital contributions) by the withdrawing Member by promissory note or otherwise. Payment shall be made to the withdrawing Member within 180 days following withdrawal. The Company shall have the right to resell and/or transfer such Units to ISL or to any third party on such terms as are approved by a majority vote (based on their respective Percentage Holdings in the Company) of the Members. In addition, the remaining Member(s) (by majority vote based on their respective Percentage Holdings in the Company) shall have the right to dissolve the Company under Article XI hereof and in such case Section 11.2(a) or 11.2(b), as applicable, shall govern. The Company may recover damages for such withdrawal and may offset the damages against any amount otherwise distributable to the withdrawing Member.

III.2 RESTRICTIONS ON TRANSFERABILITY

(a) No Unauthorized Transfer Or Hypothecation. No Member (or Economic Interest Holder) may mortgage, hypothecate or otherwise encumber, or permit or suffer any encumbrance of all or any part of such Member's Member Interest or Economic Interest in the Company (as applicable) without the prior approval of the Managing Board. No Member or Economic Interest Holder may transfer (except as specifically provided in this Article X and as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom), all or any part of such Member's Member Interest or Economic Interest in the Company. Any of the foregoing unapproved actions shall constitute and be shall a Material Breach hereunder and the terms of Section 9.2 shall be fully applicable.

(b) Involuntary Transfers. If an Involuntary Transfer of any Member Interest (the "Transferred Interests") owned by any Member shall purportedly occur, then the voting rights associated with such Transferred Interest shall terminate automatically in all respects. In addition, the Company shall have the right to purchase such Transferred Interests. The purchase price per unit of Transferred Interest shall be agreed upon by the transferee of such Transferred Interests (the "Involuntary Transferee") rather than to the Member who suffered or will suffer the involuntary transfer and the Company; provided, however, that if such parties fail to agree as to such purchase price, the purchase price for the Transferred Interests shall be the value of the Capital Account of the transferring Member, as determined under the rules of the Internal Revenue Service, less any sums due the Company (such as unpaid capital contributions) by the exiting Member by promissory note or otherwise. The Company may assign the foregoing right to any Person. If the Company, or its assignee, does not exercise the foregoing right, the Involuntary Transferee shall only be entitled to the transferring Member's Economic Interest in the Company; the Involuntary Transferee shall not be entitled to exercise the transferring Member's voting rights, which shall terminate.

(c) Ownership of ACDBE Members. The ACDBE Members are owned by the Persons specified in the attached Exhibit "E", who are the sole legal and beneficial owners of such Member ("hereinafter referred to as the "Minority Member Owners"). Any "Change in Control" of either of the ACDBE Member (as defined below) shall be treated as a transfer and sale of a Membership Interest in the Company by such party and shall be treated as a Material Breach and Section 9.2 shall be fully applicable. For purposes of this provision, "Change of

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Control” shall mean the occurrence of any of the following events: (i) the sale of all or substantially all of a Member’s assets to any person or entity, (ii) any merger, consolidation or other business combination transaction of such Member with or into a third party, except where the member is the surviving entity of said merger and remains in operational control of said surviving entity, or (iii) the direct or indirect acquisition by any third party of an interest in a Member such that the current owners of the entity prior to such acquisition own less than 51% of the outstanding ownership of the entity after such transaction, or (iv) entering into any agreement under which control of a Member is ceded to a third party.

(d) In addition, In the event any of the ACDBE Members wish to sell or transfer its membership interests in the Company (or any portion thereof) to a third party they may only effect such sale or transfer to a Qualified Assignee (as defined in Section 10.2(e) below) after first giving ISL the opportunity to purchase such interest for the price otherwise payable by the third-party prospect. Any sale or transfer of any interest in the Company by any of the ACDBE Members that is made without complying with the foregoing and Section 10.2(e) shall be a Material Breach hereunder and Section 9.2 shall be fully applicable.

(e) Approved Transfers by ACDBE Members Nexco. If any of the ACDBE Members (or any permitted successor or assignee) wishes to sell its Member Interest, it may only do so to a Qualified Assignee (as defined below) in accordance with the procedures set forth in this Section.

(i) A “**Qualified Assignee**” means a Person who satisfies all of the following requirements: (1) that Person is an ACDBE; (2) that Person or an Affiliate in control of that Person has owned or operated a retail store; and (3) neither that Person nor any director, officer or owner of 10% or more of the ownership interests of that Person: (a) has been convicted of a misdemeanor involving dishonesty or a felony; (b) has been found liable in a civil proceeding for securities, bank, insurance or wire fraud, (c) has had any license or permit revoked or suspended for more than 30 days for material violations; or (d) has been barred by any federal or state regulatory authority from entering into contracts with any government entity due to violation of applicable laws. Furthermore, if the consent of the Port is required by law or agreement in order to admit that Person as a Member, a prospective purchaser shall not be deemed a Qualified Assignee unless and until such approval has been obtained.

(ii) The Member desiring to sell its interest (the “**Selling Member**”), must first give 30 days’ written notice (“**Notice of Intention**”) to ISL and the other Members of its proposed sale of its Member Interest to a Qualified Assignee. The Notice of Intention shall describe the details of the bona fide third party offer and information concerning the purchaser to permit ISL to determine whether the Qualified Assignee satisfies the requirements set forth in Subsection (i) above. ISL shall have the right within 30 days after receipt of the Notice of Intention to give the Selling Member a notice of election (“**Notice of Election**”) to purchase the Selling Member’s Member Interest in accordance with the terms contained in the Notice of Intention. If ISL gives such Selling Member a Notice of Election, the Selling Member must sell its Member Interest to ISL pursuant to the terms described in its Notice of Intention. If ISL does not provide the Selling Member with a Notice of Intention within the thirty (30) day period, the Selling Member may sell its Member Interest to the Qualified Assignee identified in the Notice of Intention within one hundred twenty (120) days after the period for submitting the Notice of Election Notice expired. If the Selling Member fails to complete the sale of its Member Interest within that 120-day period to the Qualified Assignee, it must reoffer that Member Interest for sale to ISL pursuant to this Section.

(iii) Any sale of a Member Interest to a Qualified Assignee shall be subject to the condition that the Qualified Assignee execute a written agreement to be bound by all of the terms of this Agreement, including the performance obligations of the Selling Member specified in this Agreement. The Qualified Assignee shall not be admitted as a Member unless and until that Qualified Assignee executes such agreement. Any Units acquired by ISL under this provision may be transferred to by ISL to a third party. Section 10.2 (f) shall not apply to any such transaction.

(f) Sale or Assignment by ISL. In the event that ISL receives and desires to accept a bona fide offer from a third party to purchase (including a purchase by merger) the Company or all or substantially all of the assets of the Company, ISL shall send a written notice (the “Drag-Along Notice”) to the other Members notifying it that they will be required to sell all (but not less than all) of their Units. Olympic, Shekinah, Byrd and

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Nexo shall each be obligated to sell all of its Units in the Company in the transaction contemplated by the Drag-Along Notice on the same terms and conditions as available to ISL for its Units (as applied on a unit-by-unit basis).

(g) Security Interest in Distributions – Approved Loan. Notwithstanding anything in Section 10.2 to the contrary, a Member may direct the Financial Member by written notice to such effect to make all Distributions otherwise payable to it hereunder to a bank or other financial institution solely for the following purposes: (i) to secure payment of a loan to the Company obtained from that financial institution; or (ii) to secure payment of a loan obtained by the Member to finance capital contributed by that Member to the Company.

(h) Securities Law Compliance. All sales, assignments, hypothecations and other transfers of any Member Interest or any rights therein must be conducted in accordance with the registration and qualification requirements under federal and applicable state securities laws or exemptions therefrom.

III.3 CHANGE IN PERCENTAGE HOLDINGS. Upon any change in the relative Percentage Holdings of the Members, whether by reason of the admission of a Member or otherwise, the Member's allocated share of all Company Profits and entitlement to Distributions shall be determined, except as otherwise required by law or as otherwise provided in this Agreement, by an interim closing of the Company's books.

ARTICLE IV

DISSOLUTION AND TERMINATION

IV.1 DISSOLUTION. The Company shall be dissolved upon the first to occur of any of the following events:

(a) Upon the termination and winding up of all services required under the Lease and the completion of the Company's Purpose, unless the Members, by unanimous consent, determine to continue the Company in effect for another purpose; or

(b) Upon the written consent of at least 61% of the Units held by the Members, provided that such dissolution does not result in a breach of any of the Company's obligations under the Lease; or

(c) By majority vote of the Units held by non-breaching Members, if there is a Material Breach of this Agreement by any other Member that is not cured within thirty (30) days following written notice of such breach, which notice provides a reasonably detailed description of the breach, and which is followed by a notice of termination by the non-breaching Member; or

(d) Upon the occurrence of an event causing the dissolution of the Company by operation of law; or

(e) In the event the Company does not enter into the Lease with the Port by December 31, 2024; or the Members fail to execute a guaranty for the benefit of the Port as may be required by the Port.

IV.2 LIQUIDATION, WINDING UP AND DISTRIBUTION OF ASSETS. If the Company is dissolved, the Company shall fully comply with all legal requirements governing the winding up of its affairs and the final Distribution of its assets, as follows:

(a) If the Lease has neither expired nor been terminated, the Member Interests held by the defaulting Member shall be redeemed by the Company for a sum equal to the then balance of defaulting Member's Adjusted Capital Account Balance (as computed under Section 8.1.1). Upon closing of the transfer, the defaulting Member will receive a promissory note from the Company for the then adjusted balance of its Capital Account. The promissory note shall bear interest at six percent (6.00%) and shall be payable in equal monthly payments over shorter of: five (5) years, or the then remaining balance of the term of the Lease. Notwithstanding the foregoing, the Company shall have the right to reduce the amount payable to the defaulting Member by the amount of damages sustained and costs incurred as a result of the default. If the defaulting Member is an ACDBE Member, the Company

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may re-sell the Member Interest so acquired to a qualified ACDBE party as soon as practical, unless and to the extent the Port approves otherwise.

(b) If the Lease has expired or been terminated, all assets which become the property of the Port upon termination of the Lease shall be transferred thereto, as provided in the Lease. All other assets shall be sold. The proceeds shall be expended in the following order of priority: first to pay all debts and obligations of the Company to third parties and sums due ISL for then accrued but unpaid Shared Service Costs and FM Charges; second (to the extent of funds available, if any) for debts and obligations (including the Development Loan and any outstanding Working Capital Loan, and all interest then accrued thereon) due Members (pari-passu based upon the amount due each Member) and third, to the extent of funds available, if any, to the Members in accordance with their then positive capital account balances as provided in Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2) and finally to the Members based on their respective Percentage Holdings in the Company.

IV.3 DEFICIT CAPITAL ACCOUNTS. No Member shall have any obligation to contribute or advance any funds or other property to the Company by reason of any negative or deficit balance in such Member's Capital Account during or upon completion of winding up or at any other time.

IV.4 RETURN OF CONTRIBUTION NON-RECOURSE TO OTHER MEMBERS. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of his or its Capital Contributions. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash or other property contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE V
INTELLECTUAL PROPERTY

12.1 USE OF ISL MARKS AND SYSTEM. ISL hereby grants the Company a royalty free license to use the ISL system (the "**ISL System**") and ISL's trade names (including, but not limited to the right to use the name "**International Shoppes**" on its signage menus and advertising), trade and service marks, trade dress, logos, slogans, and other commercial symbols, patents and copyrights ("**ISL-IP**"), at no cost to the Company or to the Members. Such license shall remain in effect only as long as ISL is a Member of the Company and shall automatically terminate if ISL is no longer a Member or if the Company is dissolved. The Company and Olympic understand and agree that ISL will retain total ownership and control over the ISL System and the ISL-IP throughout the term of this Agreement and thereafter. This Agreement does not confer upon the Company or Olympic or any successor ACDBE Member any goodwill or other interest in the ISL System or ISL-IP and any goodwill established through the performance of the parties hereunder inures solely to the benefit of ISL, as the owner of the ISL System and ISL-IP. All provisions herein applicable to the ISL-IP will apply to any and any of such assets, now existing or hereafter created. Any improvements or changes developed by the Company or the Members in the ISL System or its components or in the ISL-IP shall be deemed to be work for hire and shall belong solely to ISL in all respects.

12.2 MISUSE OF INTELLECTUAL PROPERTY. The Company, Olympic, Shekinah, Bryd, and Nexo confirm and acknowledge that the Company's privilege to use ISL's System and ISL-IP is derived solely from this Agreement and is limited to the fulfillment of its obligations hereunder in compliance with all of the terms of this Agreement. Any unauthorized use of any of the foregoing by Olympic, Shekinah, Byrd, or Nexo or any successor to any of them shall be, *inter alia*, a Material Breach of this Agreement by the Member engaged in such activity and the Company shall exercise its rights under Section 9.2 above to expel such Member. Olympic, Shekinah, Byrd, and Nexo each also acknowledge that money damages are an inadequate remedy for the foregoing Material Breach because of the difficulty of ascertaining the amount of damage that will be suffered in the event of such Material Breach. Therefore, ISL and the Company will be entitled to equitable relief, including injunction and specific performance without the need to post bond, in the event of any breach of such provisions of this agreement by any of them in addition to all other remedies available to it at law or in equity.

ARTICLE VI

VI.1 LEASE AGREEMENT. The Port may require the Members to execute a guarantee in connection with the Company's obligations under the proposed lease. Each Member acknowledges and agrees to execute any guarantee required of it in a timely and responsive fashion.

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ARTICLE VII

MISCELLANEOUS PROVISIONS

VII.1 APPLICATION OF NEW YORK LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to choice of law principles. All Parties hereto; (a) irrevocably waive, to the fullest extent permitted by law, all rights to trial by jury in any action, lawsuit, proceeding, claim or counterclaim arising out of or relating to this Agreement or otherwise, and (b) irrevocably submit to the jurisdiction of federal and state courts located in the County of Nassau, New York and agree that such court shall be the venue and waive any claim of "forum nonconveniens" or the like with respect to such courts and venue in and for such County.

VII.2 WAIVER OF ACTION FOR PARTITION. Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

VII.3 ARBITRATION. Except as provided herein or as required to protect intellectual property rights under Article XII of this Agreement, all controversies and claims arising out of or relating to this Agreement shall be resolved by binding arbitration, conducted in accordance with the following rules.

(a) Except as specifically modified below, the arbitration shall be conducted in Nassau County, New York and administered by JAMS/Endispute ("JAMS") in accordance with JAMS Comprehensive Arbitration Rules and Procedures (the "**Rules**"). The arbitration shall be heard by one arbitrator to be selected in accordance with the Rules in Nassau County, New York.

(b) Within seven (7) calendar days after appointment the arbitrator shall set the hearing date, which shall be within 180 days after the filing date of the demand for arbitration unless a later date is required for good cause shown and shall order a mutual exchange of what he/she determines to be relevant documents and the dates thereafter for the taking of up to a maximum of five (5) depositions by each party to last no more than two (2) days in aggregate for each party.

(c) The arbitrator shall have the authority to make determinations as to all matters submitted for resolution in the arbitration, including whether such controversy or claim is arbitrable under this Agreement or applicable law. The arbitrator shall have the authority to determine an appropriate remedy in connection with any matter brought before the arbitrator, including sanctions or interlocutory relief for violations of the arbitrator's orders concerning discovery, provided that such remedy must be of a nature which a court could award if the matter had been litigated in a court of competent jurisdiction. The arbitrator shall have the right to award attorney's fees and costs to the prevailing party.

(d) The decision of the arbitrator shall be final and binding on all parties. Judgment upon the award rendered by the arbitrator, including any interlocutory relief or sanctions granted or issued by the arbitrator with respect to matters related to discovery, may be entered in any court having jurisdiction thereof.

(e) Notwithstanding any provision to the contrary in this Section 14.3, a party may seek a temporary restraining order or preliminary injunctive relief from a court of competent jurisdiction without prior reference to arbitration in any action arising out of this Agreement if that party in good faith believes that immediate interim relief is necessary to prevent irreparable injury to that party. After the court has made a determination with respect to such interim relief the matter may be submitted to arbitration by any party under the procedures set forth above for final resolution.

VII.4 ATTORNEY'S FEES. In the event any litigation, arbitration, mediation, or other proceeding ("**Proceeding**") is initiated by any party against any other party to enforce, interpret or otherwise obtain judicial or quasi-judicial relief in connection with this Agreement, the prevailing party in such Proceeding will be entitled to recover from the unsuccessful party all costs, expenses, actual attorneys' and expert witness fees, relating to or arising out of: (a) such Proceeding (whether or not such Proceeding proceeds to judgment); and (b) any post-judgment or post-award proceeding, including without limitation, one to enforce any judgment or award resulting from any such Proceeding. Any such judgment or award will contain a specific provision for the recovery of all such subsequently incurred costs, expenses, actual attorneys' and expert witness fees.

JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
10/20/2023

VII.5 EXECUTION OF ADDITIONAL INSTRUMENTS. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to effectuate the terms of this Agreement or to comply with any laws, rules, or regulations.

VII.6 HEADINGS. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

VII.7 SEVERABILITY. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

VII.8 WAIVER. The failure of any party to require the performance of any provision of this Agreement shall not in any way affect its right thereafter to enforce such provision or any other provision of this Agreement.

VII.9 HEIRS, SUCCESSORS, AND ASSIGNS. Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement and by applicable law, their respective heirs, legal representatives, successors, and assigns.

VII.10 CREDITORS AND OTHER THIRD PARTIES. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or by other third parties.

VII.11 ENTIRE AGREEMENT. This Agreement, and the documents, schedules and exhibits referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements, negotiations, representations, warranties, and understandings existing between the parties hereto are expressly superseded and canceled.

VII.12 NOTICES. All written notices required or permitted to be delivered pursuant to the provisions of this Agreement shall be deemed so delivered at the time delivered by hand, one (1) business day after transmission by e-mail or facsimile with proof of receipt, one (1) business day after being placed in the hands of a commercial courier services for overnight delivery, or three (3) business days after placement in the United States mail by registered or certified mail, return receipt requested, postage prepaid and property addressed. Notices under this Agreement shall be in writing, and shall be delivered in person and shall be addressed as follows:

- If to Company: International Shoppes SEA Partners, LLC
540 Rockaway Avenue
Valley Stream, NY 11581
- If to ISL: International Shoppes, LLC
540 Rockaway Avenue
Valley Stream, NY 11581
- If to Olympic: Olympic Supply, Inc., d/b/a Onsite Retailers
12605 Pleasant Prospect Rd
Mitchellville, Md 20721
- If to Shekinah: Shekinah Group LLC,
3 Parkview Drive
New Brunswick, New Jersey 08901
- If to Nexo: Nexo Services, LLC
6523 117th Ave SE
Bellevue, WA 98006
- If to Byrd: Byrd Retail Group, LLC

New York, New York

JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
10/20/202315.12 CONSENTS AND APPROVALS.

(a) Where consent or approval of or authorization (the “**Consent**”) from ISL is required hereunder, such Consent shall mean the Consent by ISL’s Chief Executive Officer, or a Vice President of ISL. Where Consent of Olympic is required hereunder such Consent shall mean that of Olympic’s President or a Vice President. Where Consent of Shekinah is required hereunder such Consent shall mean that of Shekinah’s President or a Vice President. Where Consent of Nexo is required hereunder such Consent shall mean that of Nexo’s President or a Vice President. Where Consent of Byrd is required hereunder such Consent shall mean that of Byrd’s President or a Vice President.

(b) To the extent that any Consent of a proposed action is required to be reasonable hereunder, the party whose Consent is sought shall reasonably consider the views and financial needs of the other party and shall act in a timely and non-capricious manner.

15.13 REPRESENTATION AND JOINT PREPARATION. The Members have each been represented by separate counsel in the negotiation of the terms of this Agreement. Each Member acknowledges that counsel for the other party is not representing it or the Company with respect to all matters related to the Company, this Agreement, and the transactions contemplated hereunder. The Members have participated jointly in the negotiation and drafting of this Agreement. In the event that any ambiguity or question of intent or interpretation arises in respect of this Agreement, no presumption favoring or disfavoring any Member shall arise by virtue of the authorship of any provision hereof.

15.14 MEMBER DILIGENCE.

(a) The Members represent each to the other that they and their owners have sufficient knowledge and expertise to evaluate the potential risks associated with entering into this Agreement and each can bear the potential economic risks. No Member, nor any agent, employee or representative of the Members, has made representations or assurances concerning the projected profitability of the Company or suitability of the Member Interest or of the suitability of the premises that the Company will occupy and use or lease under the Lease, except as expressly provided in this Agreement.

(b) Each Member has made its own investigation of all costs of doing business under this Agreement, including the costs of constructing improvements in the demised premises, and the costs of furnishings, fixtures, trade fixtures, signs, inventory, and equipment needed to operate from the premises; that it has done its own projections of the volume of business it expects the Company to generate; that it is relying on its own business judgment concerning the prospects of the Company to operate on a profitable basis, and that neither of them have made any representations or assurances to the other Members with respect to such matters. No Member has entered into this Agreement in reliance on any such representations, warranties or financial projections prepared for or furnished to it.

(c) No Member has relied upon the accuracy of any statistics or projections relating to the Airport and its operations, which have been provided to it or anyone on their behalf. No Member shall hold the other responsible for any inaccuracies in such statistics or their interpretation.

(d) No Member shall be liable to the other for any loss of business or damages sustained by the Company as a result of any change in the operation or configuration of, or any change in any procedure governing the use of the Airport by any airline and/or governmental agency.

15.15 COUNTERPARTS. This Agreement may be executed in counterparts, or by facsimile or telecommunicated counterparts, each of which shall constitute an original and all of which together shall constitute a single agreement.

[Signature page follows]

JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
10/20/2023

[Signature page to Operating Agreement]

IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Agreement as of the date first written above.

MEMBERS

INTERNATIONAL SHOPPES, LLC

By: _____
Matthew Greenbaum, Co-CEO

SHEKINAH GROUP LLC

By: _____
Marnie McKoy, President

OLYMPIC SUPPLY, INC.

By: _____
Sandy Roberts, President

NEXO SERVICES, LLC

By: _____
Fatima Patricia Sotelo, President

BYRD RETAIL GROUP, LLC

By: _____
Judith Byrd, President

JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
10/20/2023

EXHIBIT A

SCHEDULE OF MEMBERS AND PERCENTAGE HOLDINGS

Date: As of Lease Execution Date

Member	Units	Percentage Holdings*
International Shoppes LLC (“ISL”)	7,700	77.00%
Shekinah Group LLC (“Shekina”)	575	5.75%
Onsite Group, LLC (“Onsite”)	575	5.75%
Nexo Services, LLC (“Nexo”)	575	5.75%
Byrd Retail Group (“Byrd”)	575	5.75%
Total	10,000	100%

* However, for each Member, such Member’s **Economic Interest** in the Company shall be determined by dividing the then current balance of such Member’s Capital Account by the aggregate amount of all Capital Accounts of all of the Members of the Company.

CAPITAL CONTRIBUTIONS

Due Dates	ISL (77%)	Shekinah (5.75%)	Onsite (5.75%)	Nexo (5.75%)	Byrd (5.75%)	Total (100%)
Lease Execution						
Start of Construction						
Completion of Construction						

JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
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EXHIBIT B

RESPONSIBILITIES AND AUTHORITY OF EACH MEMBER

The Members shall have joint responsibility for providing certain services to the Company. Responsibilities may be re-allocated or division of services may be reviewed from time to time as necessary based upon contribution or disproportionate share of resources expended.

Responsibilities of ISL

Subject to the consent and approval of the Management Board on material decisions, ISL shall be responsible for:

- a. Negotiation of contract for acquisition of physical assets and inventory presently on-site and any re-design, signage development and POS and computer system design and installation and other enhancements required for the operation of the shops;
- b. Management of the inventory selection program for the Shops, including sourcing, purchasing, and inventory management and development of marketing materials;
- c. Management of any intellectual property being used by the Company;
- d. Obtaining all necessary liquor and other business licenses, including but not limited to, U.S. Customs bonds;
- e. Manage all US Customs concerns with respect to managing duty free inventory; and
- f. Participate regularly in Management Board meetings and in the strategic marketing and planning processes of the Company.

Responsibilities of ACDBE Members

Subject to the consent and approval of the Management Board on material decisions, Shekinah shall be responsible for:

- a. Maintain ACDBE certification throughout the term of the Lease;
- b. Manage the beauty and cosmetics departments of the Company except for the MAC Cosmetics brands, which shall include the right to hire and fire applicable sales personnel and participate in the management of front-of-the-house sales personnel for the Shop(s);
- c. Participate in weekly staff meetings and general management of the business through regular reporting of operations, administrative and business support issues to improve overall business effectiveness and development of business scorecard as management tool that will be used to establish goals and measure short and long-term performance; and
- d. Participate regularly in Management Board meetings and in the strategic marketing and planning processes of the Company.

Subject to the consent and approval of the Management Board on material decisions, Olympic shall be responsible for:

- a. Maintain ACDBE certification throughout the term of the Lease;
- b. Manage the counters selling MAC Cosmetics brands, which shall include the right to hire and fire applicable sales personnel and participate in the management of front-of-the-house sales personnel for such outlets;

JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
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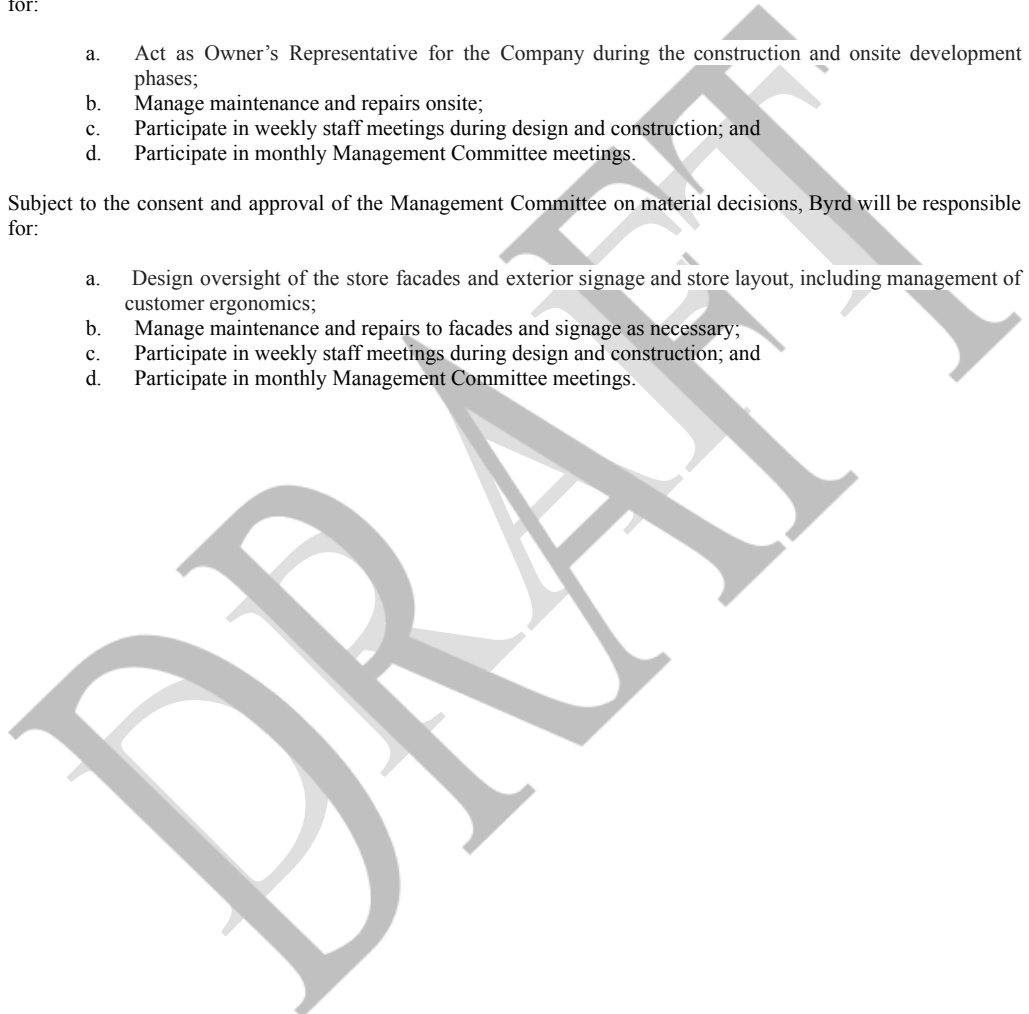
- c. Participate in weekly staff meetings and general management of the business through regular reporting of operations, administrative and business support issues to improve overall business effectiveness and development of business scorecard as management tool that will be used to establish goals and measure short and long-term performance; and
- d. Participate regularly in Management Board meetings and in the strategic marketing and planning processes of the Company.

Subject to the consent and approval of the Management Committee on material decisions, Nexo will be responsible for:

- a. Act as Owner’s Representative for the Company during the construction and onsite development phases;
- b. Manage maintenance and repairs onsite;
- c. Participate in weekly staff meetings during design and construction; and
- d. Participate in monthly Management Committee meetings.

Subject to the consent and approval of the Management Committee on material decisions, Byrd will be responsible for:

- a. Design oversight of the store facades and exterior signage and store layout, including management of customer ergonomics;
- b. Manage maintenance and repairs to facades and signage as necessary;
- c. Participate in weekly staff meetings during design and construction; and
- d. Participate in monthly Management Committee meetings.



JV OPERATING AGREEMENT

CONFIDENTIAL DRAFT
10/20/2023

EXHIBIT C

FINANCE MEMBER RESPONSIBILITIES

- Create and maintain employee files
- Manage all non-onsite employee functions including, but not limited to, recruiting, hiring, documentation, E-verify, I-9, disciplinary actions and terminations, unemployment issues, workers comp claims
- Negotiate with providers for health and dental insurance and administer plan including open enrollment, claims
- Negotiate with providers for liability & casualty insurance
- Administer 401(k) plan & file tax return
- Maintain the books & records of the Company, including A/P, A/R, credit card accounts
- Manage bank account(s)
- Provide Members a weekly report of sales
- Manage payroll & pay employees
- Manage bonus program
- Process and collect airline vouchers
- File employer tax returns
- Produce balance sheets, income statements and other financial reports monthly.
- Produce all reports required by the Lease when due
- Produce budgets of upcoming year for Member review
- Produce federal and state income tax returns annually and provide Schedule K-1 to Members
- Prepare and file Washington sales tax returns monthly
- Coordinate annual audit and provide audit report to Members
- Respond to and manage audits by governmental agencies including the Airport
- Act as Partnership Representative for the Company
- Make application for and maintain renewal of all licenses
- Retain & manage legal counsel

EXHIBIT D

LEASE

[To Be Attached]

DRAFT

EXHIBIT E

OWNERSHIP OF ACDBE MEMBERS

DRAFT

FORM A.5



Please note that Form A.5 is not applicable and has been intentionally omitted from our submission.



Form A.6 EVIDENCE OF LABOR PEACE AGREEMENT

International Shoppes, LLC on behalf of International Shoppes SEA Partners, LLC (“Concessionaire”) has complied with **Section 4.1** of the Request for Proposal (RFP) for Package RFP 23-1DF, and the Labor Peace provision (**Section 26.8**) of Concessionaire’s Lease and Concession Agreement with the Port, which stipulate that a non-exempt Concessionaire that has been awarded a package must have a signed Labor Peace Agreement with a Labor Organization that requests one, that the Labor Peace Agreement binds the Concessionaire, any Affiliated Employer (as defined in the Lease and Concession Agreement) and the Labor Organization, and that the Labor Peace Agreement must require that the Port of Seattle’s Airport Dining and Retail Program (ADR) is free from labor-related disruption of services both as to the ADR Program and the general operation of the Seattle-Tacoma International Airport.

FOR THE CONCESSIONAIRE:
International Shoppes, LLC on behalf of
International Shoppes SEA Partners, LLC

FOR THE LABOR ORGANIZATION:
LOCAL 1102 RWDSU UFCW

By:

By:

Print Name:

Print Name:

Matthew Greenbaum Co-CEO
Scott Halpern Co-CEO

Alvin Ramnarain
President, Local 1102

Date:
10/19/2023

Date:
10/19/2023

FORM A.7



Please note that Form A.7 is not applicable and has been intentionally omitted from our submission.

INTERNATIONAL SHOPPES, LLC LEADING “iSEA” PARTNERS

International Shoppes, LLC has joined with a small group of amazing and complementary ACDBE partners including Byrd Retail Group, LLC, Nexo Services, LLC, Olympic Supply, Inc. and Shekinah Group, LLC to create a new company designed to take strategic advantage of the strengths of all companies. This jointly managed and operated Company, International Shoppes SEA Partners, LLC, will be the actual entity named on the lease. This new company will be specifically dedicated to the design, management and operation of the stores we propose to operate at SEA. International Shoppes, LLC shall serve as guarantor in all respects regarding the matter as far as this proposal is concerned. In addition, all requested details regarding International Shoppes, LLC and these partners are provided in this section. We have also included our signed LOI and draft Operating Agreement expressing all members intentions to execute said Operating Agreement before entering into a lease with SEA. Any additional information that SEA may require regarding International Shoppes, LLC, its ACDBE partners or the proposed new operating entity will be gladly provided upon request.



JFK T1 Beauty Store

A.8.1 - BRIEF HISTORY OF OUR BUSINESS

International Shoppes, LLC

Founded in 1951 by two immigrant families, International Shoppes (iShoppes) has evolved and expanded into a leading duty free and specialty retail operator in US based airports. Headquartered in Valley Stream, NY, just outside of JFK, our longevity and longstanding airport partnerships puts us in an unparalleled position to develop best in class stores, and provide the highest level of operational support to ensure revenues are maximized and customers are delighted.

Our Company is highly regarded amongst our vast network of business partners. This is due to the hands-on approach from our owner/management team that has been running the business continuously for 3 generations. The level of detail that goes into every aspect of our airport operations is a major point of differentiation. This is particularly true of our approach to store design and development whereby our shops are custom tailored to fit their terminals and the communities that surround them. This approach results in a unique and exciting shopping experience everywhere we operate.

International Shoppes prides itself on being a great business partner, and we understand that we operate our stores at the behest and direction of our landlord partners and world-class suppliers. In us you will find an organization that is responsive at the highest levels, quick to react and laser focused on going above and beyond to delight our mutual customers.

Our current footprint includes duty-free and specialty retail locations throughout the US including BDL, BWI, IAD, IAH and JFK. Our Company has also managed operations at other US airports including BOS, PHL and PVD. Our affiliated company, Diplomatic Duty Free Shops of NY, services Diplomats throughout the US with duty free goods.

A.8.2 - OTHER BUSINESS NAMES & PARTNERS

It is worth noting here that we currently have ongoing joint ventures with two of the four proposed ACDBE partners for our SEA JV. Those partnerships include a duty free operation at IAH that is operated with Shekinah Group, LLC as well as a Estee Lauder Corporate store at IAD that is operated with Olympic Supply, Inc. We look forward to leveraging and expanding these successful relationships into an even greater Company when we operate together at SEA.

DOING BUSINESS AS...

The International Shoppes group of companies includes:

- International Shoppes, Inc.
- International Shoppes, LLC
- International Shoppes Shekinah Group IAH, LLC
- International Shoppes OnSite, LLC
- International Valley Stream Holdings, LLC
- 500 Rock, LLC
- Byrd Retail Group, LLC
- Nexo Services, LLC
- Olympic Supply, Inc.
- Shekinah Group, LLC



*Houston Terminal C Duty Free
A collaboration between iS & Shekinah Group. Currently under construction and slated to open Q2 2024.*



A.8.3 - DUTY FREE OPERATING EXPERIENCE

60+ YEARS OF AIRPORT EXPERIENCE

Our Company has been operating duty free and specialty retail outlets in airports since 1961. In addition to our duty free stores, the Company owns and operates many stand-alone boutiques, most of which are duty free/duty paid. Boutique fashion brands include Hermes, Salvatore Ferragamo, Bvlgari, Mont Blanc, Longchamps, Hugo Boss, and Michael Kors to name a few and boutique beauty brands include Estee Lauder, Kiehl's, Chanel, Christian Dior, MAC, and many, many more.

ARMANI

DOLCE & GABBANA



BOSS
HUGO BOSS

GUCCI



BURBERRY
LONDON ENGLAND

PRADA



BVLGARI



Dior

TOM FORD

HERSHEY'S

Neuhaus
— BRUSSELS 1857 —



JO MALONE
LONDON

L'OCCITANE
EN PROVENCE



LANCÔME
PARIS

YVES SAINT LAURENT



ESTÉE LAUDER

CLINIQUE



FORM A.8 - PROPOSER EXPERIENCE



33+ SUCCESSFUL LOCATIONS & PROVEN CONCEPTS

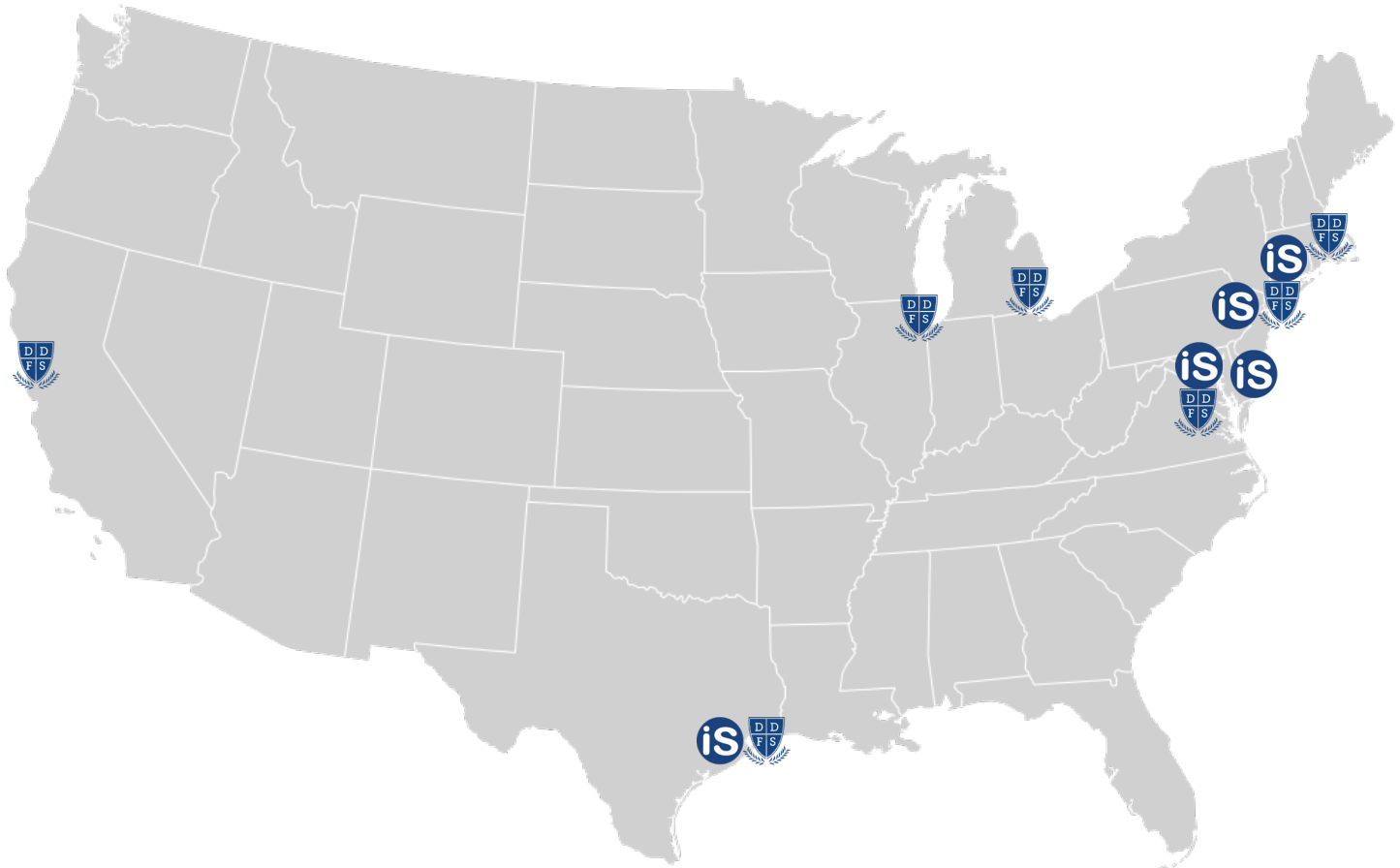
Our listing of locations currently in operation is included to the right. Most of the brands that we are proposing to be developed at SEA are currently already part of our existing operations.



Store Description	No. of Locations
JFK TERMINAL 1	
Duty Free Shops	5
Rotated Pop Up Shop	1
Salvatore Ferragamo	1
Bvlgari	1
Longchamp	1
Hermes	1
Christian Dior	1
Coach	1
JFK TERMINAL 5	
Duty Free/Duty Paid	3
JFK TERMINAL 8	
Duty Free/Duty Paid	3
Bvlgari	1
Salvatore Ferragamo	1
Mont Blanc/Tag Heuer	1
Hugo Boss	1
M. Kors	1
BDL	
Duty Free/Duty Paid	2
BWI	
MAC Cosmetics	1
IAH	
Duty Free/Duty Paid	7
Chanel	1
Christian Dior	1
IAD	
Estee Lauder Corporate Store	1

DIPLOMATIC DUTY FREE SHOPS OF NY

Along with International Shoppes' operations in 5 US airports, with 33 stores and ~600 team members, our sister company Diplomatic Duty Free Shops of NY services 8 US cities that have a diplomatic presence. Seattle has 41 consulates and our Seattle warehouse would service that community.



INTERNATIONAL SHOPPES



- BDL - Bradley International Airport**
 - Main Terminal
- BWI - International Thurgood Marshall Airport**
 - Concourse A-B
- IAD - Washington Dulles International Airport**
 - Terminal B
- JFK - John F. Kennedy International Airport**
 - Terminals 1, 5, 8
- IAH - George Bush Intercontinental Airport**
 - Terminals A, B, D

DIPLOMATIC DUTY FREE SHOPS



- Boston, MA
- Chicago, IL
- Detroit, MI
- Houston, TX
- New York, NY
- San Francisco, CA
- Washington, DC

A.8.4 - JFK TERMINAL 1

REQUIRED INFORMATION	2020	2021	2022
[a] Square footage	18,533	18,533	18,533
[b] Gross sales for the last three years	\$24,431,216	\$28,435,625	\$46,012,399
[c] Sales per square foot	\$1,318.25	\$1,534.32	\$2,482.73
[d] Enplanements for those years (if an airport property)	845,423	851,582	2,508,961
[e] Average sales per transaction			
[f] Guaranteed rent or base rent (if applicable)			
[g] Percentage rent (if applicable)			
[h] Actual rent paid			
[i] Term of lease (including commencement & expiration dates)	Sept. 1, 2015 - May 27, 2028		
[j] Capital investment (broken down into initial build-out & refurbishments, if applicable)	International Shoppes has managed JFK T1's duty-free concessions since 1998, consistently expanding our footprint and refreshing spaces with new concepts. Our current JFK T1 lease began in 2015 and will end in 2028. Since 2015, our total CAPEX has been ~\$31MM, of which ~30% is vendor supported.		



LANDLORD CONTACT:
 Steve Rowland
 Executive Director
 Terminal One Management, Inc.
 JFK International Airport
 Office: 718.751.1726
 Mobile: 773.406.1673
 Email: srowland@jfkterminalone.com

JFK TERMINAL 1



A.8.4 - JFK TERMINAL 8

REQUIRED INFORMATION	2020	2021	2022
[a] Square footage	16,084	16,084	16,084
[b] Gross sales for the last three years	\$5,110,954	\$6,858,353	\$16,200,143
[c] Sales per square foot	\$318	\$426	\$1,007
[d] Enplanements for those years (if an airport property)	400,000	1,400,000	2,100,000
[e] Average sales per transaction			
[f] Guaranteed rent or base rent (if applicable)			
[g] Percentage rent (if applicable)			
[h] Actual rent paid			
[i] Term of lease (including commencement & expiration dates)	August 19, 2005 - February 28, 2024		
[j] Capital investment (broken down into initial build-out & refurbishments, if applicable)	International Shoppes has managed JFK T8's duty-free concessions since 1999. In 2005 we started our new lease and expanded our footprint into the current JFK T8. The CAPEX since 2005 has been ~\$21MM, of which ~30% is vendor supported.		



LANDLORD CONTACT:
 Ashley Hari
 Director, Marketing - Airports
 URW
 One World Trade Center, 46th fl- Suite E
 New York, NY 10010 / USA
 E. ashley.hari@urw.com
 M. 484-268-3814

JFK TERMINAL 8



A.8.4 - IAH TERMINAL A, B & D

REQUIRED INFORMATION	2020	2021	2022
[a] Square footage	8,395	8,395	8,395
[b] Gross sales for the last three years	\$4,083,874	\$7,132,399	\$8,909,468
[c] Sales per square foot	\$486	\$850	\$1,061
[d] Enplanements for those years (if an airport property)	472,037	778,618	1,294,654
[e] Average sales per transaction			
[f] Guaranteed rent or base rent (if applicable)			
[g] Percentage rent (if applicable)			
[h] Actual rent paid			
[i] Term of lease (including commencement & expiration dates)	Sept 2019 - Sept 2031		
[j] Capital investment (broken down into initial build-out & refurbishments, if applicable)	International Shoppes & SEA bidding partner Shekinah Group formed ISSGIAH in Sept. 2019, upon the award of the duty free contract, which runs until Sept. 2031. Our initial investment was a \$2.4MM buy out of a failed Heinemann/ ATU operation. We have since had a CAPEX spend of ~\$800K, of which ~50% is vendor supported.		



LANDLORD CONTACT:
 Libby Hurley
 Assistant Director – In Terminal Sales
 O: 281-233-1606
 M: 346-435-8941
 Libby.Hurley@houstontx.gov

FORM A.8 - PROPOSER EXPERIENCE



IAH TERMINAL A, B & D



BYRD RETAIL GROUP

A.8.1 - BRIEF HISTORY OF OUR BUSINESS

Byrd Retail Group (BRG) is an investment and advisory company founded by airport industry veteran CEO, Judith Byrd. BRG owns approximately 45 restaurants and retail stores at JFK, LaGuardia, Detroit, Portland and Salt Lake City Airports in joint venture with global operating partners. In addition, the company provides advisory services in U.S. domestic travel retail to The Estée Lauder Companies - the world's #1 prestige beauty company offering brands such as Estée Lauder, MAC, Tom Ford, Jo Malone London, Le Labo, Clinique among many others. These premier brands form the core of the beauty offering in all top duty free stores.

Prior to launching BRG, Judith was a founding partner in Chicago based airport consulting firm Unison Consulting Group where she led their esteemed airport concessions consulting practice providing advisory services to over 60 U.S. airports during her tenure. In this capacity she led the development of concessions master plans and studies for numerous airports many of which have substantial duty free programs including Miami International, JFK Terminal 7, Detroit, Newark Terminals A&B, Houston Intercontinental, Santiago, Chile and Toronto Pearson Airport (which notably has three passenger segments - domestic, international and transborder - all with different buying patterns). Also, in connection with representation of Miami International Airport and development of its duty free and duty paid programs, Ms. Byrd undertook on-site analysis of several international airports including London, Hong Kong, Frankfurt, Singapore, and Copenhagen.



Judith Byrd is an airport retail leader, providing advisory services to the biggest names in the industry

A.8.2 - OTHER BUSINESS NAMES & PARTNERS

None

A.8.3 - DUTY FREE OPERATING EXPERIENCE

35+ years in airport concessions industry, 15 years as a consultant to airports in North and South America, 9 years as Joint Venture Partner in airport retail concessions, including Estée Lauder's duty free brands such as Estée Lauder, Clinique, MAC Cosmetics, Jo Malone, Tom Ford Beauty, Le Labo, and Aveda among others.

As noted in response to A.8.1 above, BRG/ Judith Byrd's role in the duty free arena has been as consultant to numerous airports in development of their duty free programs.

A.8.4 - DESCRIPTIONS OF CURRENT OPERATIONS

BRG has no prior duty-free operating experience and instead only serves in consulting roles.

FORM A.8 - PROPOSER EXPERIENCE

NEXO

A.8.1 - BRIEF HISTORY OF OUR BUSINESS

Nexo, a Washington state-based company, has been proudly servicing the community with high-quality customer service since 2016. Fatima Patricia Sotelo is the sole owner of Nexo, which is certified as both a women-owned minority business (OMWBE) and an Airport Certified Disadvantaged Business (ACDBE).

Nexo has been serving the City of Seattle, the Port of Seattle and SEA since 2016, and the commitment to exceptional customer service has fostered strong, enduring relationships with their valued customers. At the heart of the company lies a dedication to customer service. Nexo believes that satisfied customers are the cornerstone of their success.

Their extensive experience and commitment to quality make them an essential partner.

A.8.2 - OTHER BUSINESS NAMES & PARTNERS

Nexo is solely owned since its inception Nexo is not doing business under any other names.

A.8.3 - DUTY FREE OPERATING EXPERIENCE

Nexo has no prior duty-free operating experience.

A.8.4 - DESCRIPTIONS OF CURRENT OPERATIONS

Nexo has no prior duty-free operating experience.

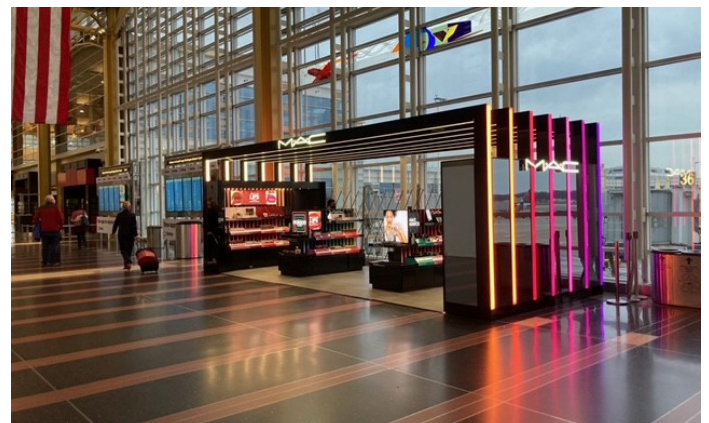
FORM A.8 - PROPOSER EXPERIENCE



OLYMPIC SUPPLY

A.8.1 - BRIEF HISTORY OF OUR BUSINESS

Olympic Supply, Inc., formed in 1991, also trades under the name Onsite Retailers. Olympic is headquartered in suburban Maryland, just minutes from Washington, D.C. The organization has been an Airport Concession Disadvantaged Business Enterprise (ACDBE) since 2004. Onsite Retailers, is uniquely equipped to recognize and respond to the shopping and dining desires of traveling passengers, airline personnel and airport employees. Onsite Retailers operates a variety of retail and food concepts in eight major United States airports with a mix of ownership as an independent and as a JV partner. Airport operations included Baltimore (BWI), Washington (DCA), Dulles (IAD), Los Angeles (LAX), Philadelphia (PHL), Seattle-Tacoma (SEA) and Nashville (BNA) and Newark Liberty (EWR). We are responsible for over 30 brands and 300+ employees.



A.8.2 - OTHER BUSINESS NAMES & PARTNERS

As mentioned above, Onsite Retailers.

A.8.3 - DUTY FREE OPERATING EXPERIENCE

Olympic Supply has no prior duty-free operating experience.

A.8.4 - MAC DCA

MAC - DCA	2020	2021	2022
[a] Square footage	n/a	n/a	250
[b] Gross sales for the last three years	n/a	n/a	\$395,817
[c] Sales per square foot	n/a	n/a	\$1,583
[d] Enplanements for those years (if an airport property)	n/a	n/a	~2.9 mil
[e] Average sales per transaction			
[f] Guaranteed rent or base rent (if applicable)			
[g] Percentage rent (if applicable)			
[h] Actual rent paid			
[i] Term of lease (including commencement & expiration dates)	Oct 29, 2021-Dec 31, 2023 w/3x 1 year options to renew		
[j] Capital investment (broken down into initial build-out & refurbishments, if applicable)	n/a	n/a	\$250,000 (Initial Build-out)
[m] Landlord contact	Marketplace Development-DCA Joy Mallek 703-572-5082 Office		



SHEKINAH GROUP

A.8.1 - BRIEF HISTORY OF OUR BUSINESS

In operation since 2003, Shekinah Group, LLC is a family-owned and fast-growing business that has adapted to changing market conditions. Founded as a real estate investment firm, Shekinah matured into a hospitality and retail company with an emphasis on Airport/Retail Concessions, Restaurant and Brand Partnerships, and Contract Food Services. Together with its partners, Shekinah owns and operates six duty-free and retail stores in Houston, Texas at George W. Bush Intercontinental Airport, selling premium brands of perfumes, wines and spirits, chocolates, sunglasses, watches and other merchandise. In addition to duty free retail, Shekinah owns and operates 6 established restaurant and food brands in New York City at LaGuardia Airport in the new Terminal B, including Dos Toros, Junior’s Cheesecake, Hill Country, Zaro’s Bakery, Tony and Benny’s Pizza; another 6 restaurant and food brands at Newark Liberty International Airport in the new Terminal A and Terminal C, including Shake Shack, Starbucks, Zaro’s Bakery, Iron Bound Market, Office Tavern and Grill and Bluestone Lane.

A.8.2 - OTHER BUSINESS NAMES & PARTNERS

None.

A.8.3 - DUTY FREE OPERATING EXPERIENCE

At George Bush Intercontinental Airport in Houston, we are the ACDBE Partner with International Shoppes, LLC responsible for managing: the beauty and cosmetics departments with the right to hire and fire applicable sales personnel and participate in the management of front-of-the-house sales personnel for the shops; the human resource function with respect to all operations for the shops, including retention and training and disciplining of sales staff; the develop, implement and manage a loss prevention strategy that prevents or minimizes theft; the development, implementation and management of a measurable worker safety and security strategy. As the ACDBE partner, participate in weekly staff meetings and general management of the business through regular reporting of operations, administrative and business support issues to improve overall business effectiveness and development of business scorecard as a management tool that will be used to establish goals and measure short and long-term performance. Lastly, we participate regularly in Management Board meetings and in the strategic marketing and planning processes of the venture.

A.8.4 - IAH TERMINAL A, B, & D

HOUSTON (IAH) TERMINAL A, B, & D	2020	2021	2022
[a] Square footage	8,395	8,395	8,395
[b] Gross sales for the last three years	\$4,083,874	\$7,132,399	\$8,909,468
[c] Sales per square foot	\$486	\$850	\$1,061
[d] Enplanements for those years (if an airport property)	472,037	778,618	1,294,654
[e] Average sales per transaction			
[f] Guaranteed rent or base rent (if applicable)			
[g] Percentage rent (if applicable)			
[h] Actual rent paid			
[i] Term of lease (including commencement & expiration dates)	Sept 2019 - Sept 2031		
[j] Capital investment (broken down into initial build-out & refurbishments, if applicable)	Shekinah Group and SEA majority bidding partner International Shoppes formed ISSGIAH in Sept. 2019, upon the award of the duty free contract, which runs until Sept. 2031. Our initial investment was a \$2.4MM buy out of a failed Heinemann/ATU operation. We have since had a CAPEX spend of ~\$800K, of which ~50% is vendor supported.		



THANK YOU!

International Shoppes

Matthew Greenbaum & Scott Halpern

Co-CEOs

mgreenbaum@ishoppes.com | shalpern@ishoppes.com

REQUIRED FORMS

International Shoppes: PORT OF SEATTLE-TACOMA
INTERNATIONAL AIRPORT DUTY FREE PACKAGE: RFP 23-1DF



SEATTLE



An Elevated
Duty Free
Experience



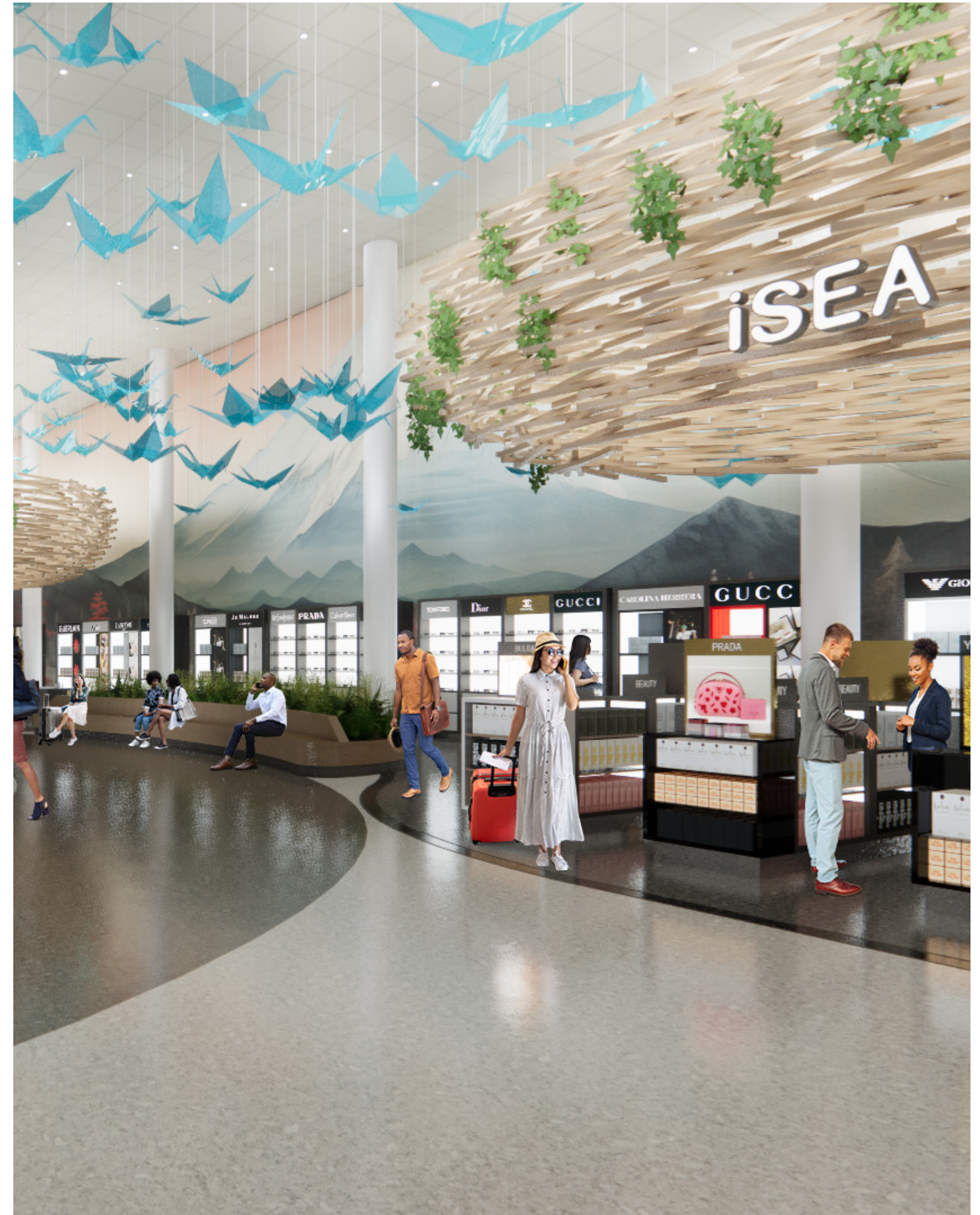
NOTICE OF INTERVIEW

International Shoppes: PORT OF SEATTLE-TACOMA
INTERNATIONAL AIRPORT DUTY FREE PACKAGE: RFP 23-1DF



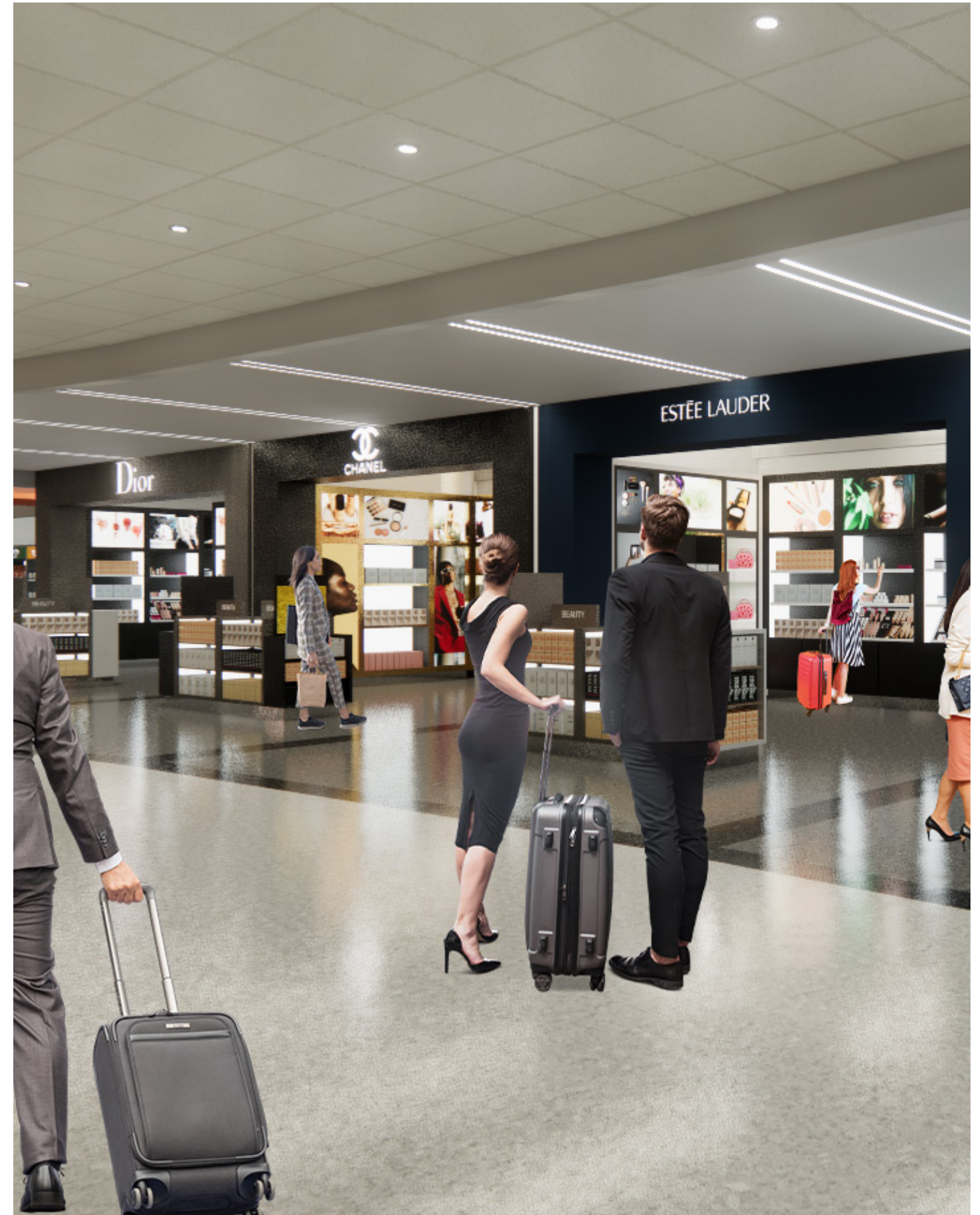
iSEA PROPOSAL HIGHLIGHTS

- **World-class redevelopment of SEA's duty free program**
 - Innovative store design
 - Commitment to local brands & communities
 - Comprehensive merchandise selection
 - Quality operational expertise
 - Phenomenal customer experience
 - Major investment and financial commitment
- **Fusion of multiple US family enterprises with old-school values & new school technologies**
- **iSEA is a great partner with dedicated & experienced leadership**
- **Track record of success & excellence in design, customer service, and revenue generation**
- **Financially stable, ready for accelerated growth NOW.**
 - Increase SEA's Duty Free revenues in 2024



iSEA AN EXCITING AGENDA

- 1 Who are we?
- 2 Why does this concept work?
- 3 How will it look?
- 4 Who is doing what?
- 5 What are the challenges to build-out?
- 6 How did we calculate the TRA design costs?
- 7 Will we use DBB or GCCM?
- 8 What questions does SEA have for us?
- 9 Why iSEA?



iSEA AN EXCEPTIONAL TEAM

1 Who are we?

- International Shoppes
- Shekinah Group
- Nexo Services
- Onsite Retailers
- Byrd Retail Group



iSEA AN EXCEPTIONAL TEAM

1 Who are we?

iS International Shoppes

- Direct lines of communication to the owner-management team
 - Geri Sossin, Director of Operations
 - Craig Wade, General Manager, IAH/BWI/IAD
 - Matt Greenbaum, Co-CEO
 - Scott Halpern, Co-CEO
- 70+ years of continuous family ownership
- 30+ successful locations & proven concepts
- 8+ year-average tenure for team members



iSEA AN EXCEPTIONAL TEAM

1 Who are we?

iS International Shoppes

- Bespoke approach to airport selection and operations
- Solely focused on duty-free & high-end retail
- Award-winning store designs
- Excellent relationship with USCPB on national and local levels
- History of maximizing revenue & great partnership
- Investing in our communities

DFNI
AMERICAS
AWARDS 2018
WINNER



iSEA AN EXCEPTIONAL TEAM

1 Who are we?



Shekinah Group

- Vaughn and Marnie Mckoy
- Formed in NJ in 2003
- Prime operator in non-airport food and beverage operations
- ACDBE partner in hospitality and retail operations with an emphasis on airport retail and food concessions
- Operates 17 airport restaurants/bars at EWR [Newark], LGA [NYC] and CVG [Kentucky] with brand partners [Starbucks, Shake Shack, Zaro's Bakery, Potbelly's and Wendy's, etc.]; several hundred employees between all retail and food and beverage operations
- Partners with iShoppes in duty free and retail at IAH [Houston] and JFK T5 [NYC]



iSEA AN EXCEPTIONAL TEAM

1 Who are we?

Nexo Services

- Fatima [Patty] Sotelo
 - ACDBE certified since 2018
 - Washington state based
 - Servicing SEA and the city of Seattle since 2016
 - Maintenance and supplies for airport concessions
- Mike Sotelo
 - 40+ years of commercial construction expertise
 - Member/Chair Ethnic Chambers of Commerce Coalition

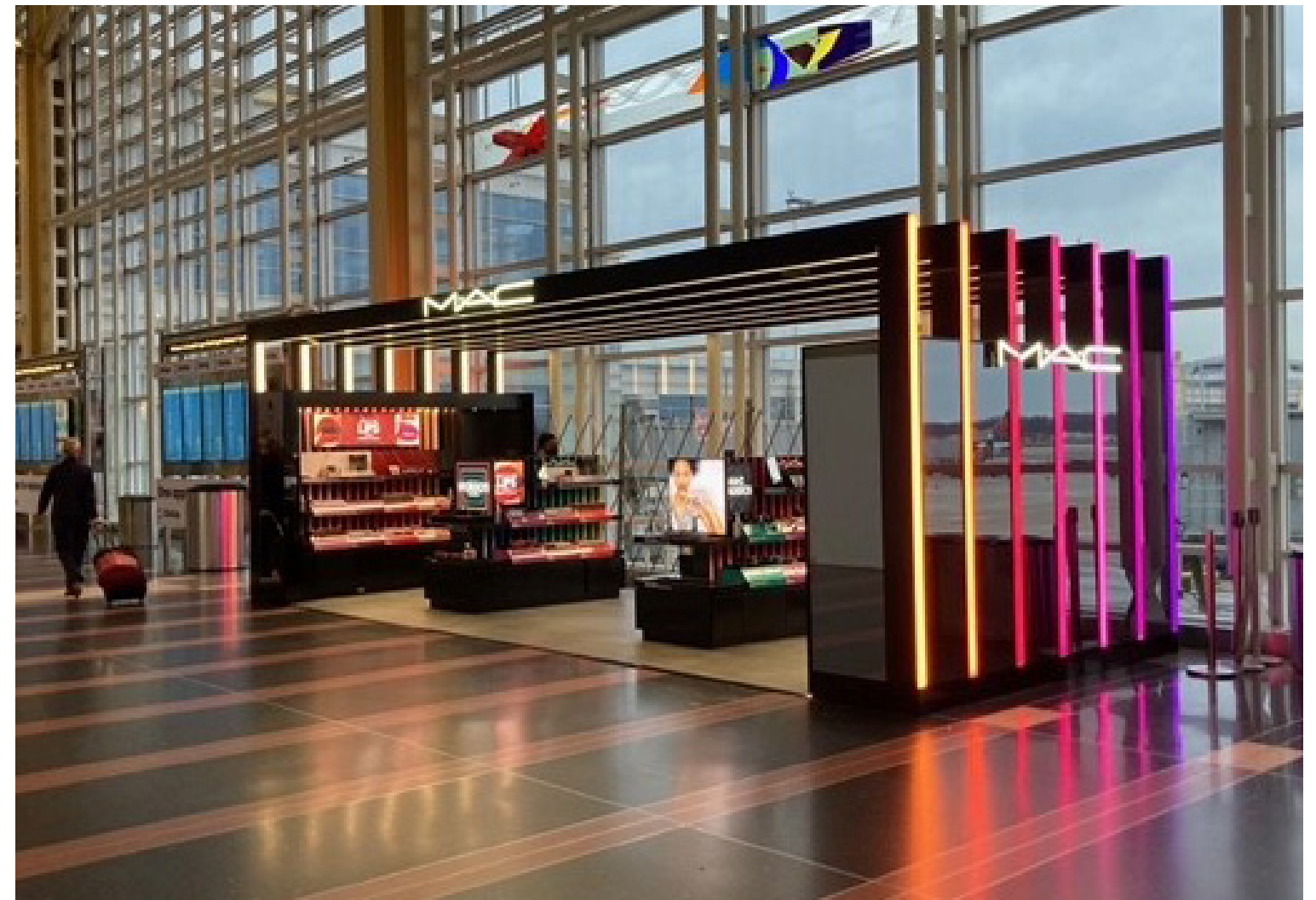
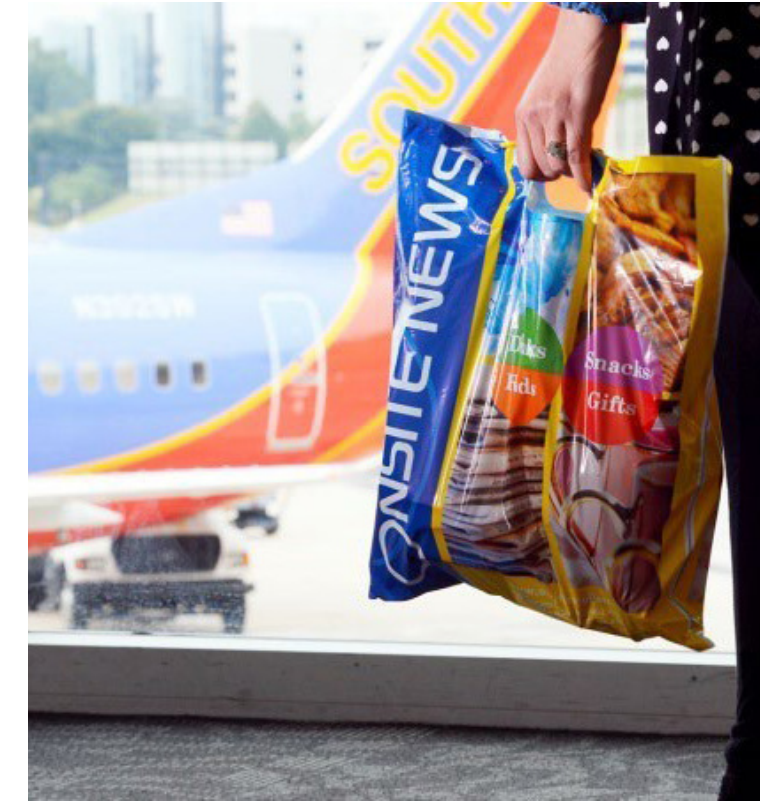


iSEA AN EXCEPTIONAL TEAM

1 Who are we?

Onsite Retailers

- ACDBE operator for over 20 years
- Prime operator of retail and food & beverage concepts in multiple airports
- As a prime operator responsible for over 300+ employees
- Onsite News and Onsite Travel Essentials are our signature convenience brands
- Brand partners include Estee Lauder, Au Bon Pain, CPK, Chick-fil-A, Beecher's, P.F. Chang's, Pinkberry, NYS Eyewear Collection
- Joint Venture Partners in 8 airports with over 80 locations operating over 30 brands
- Operate under several license agreements and franchise concepts



iSEA AN EXCEPTIONAL TEAM

1 Who are we?



Byrd Retail Group

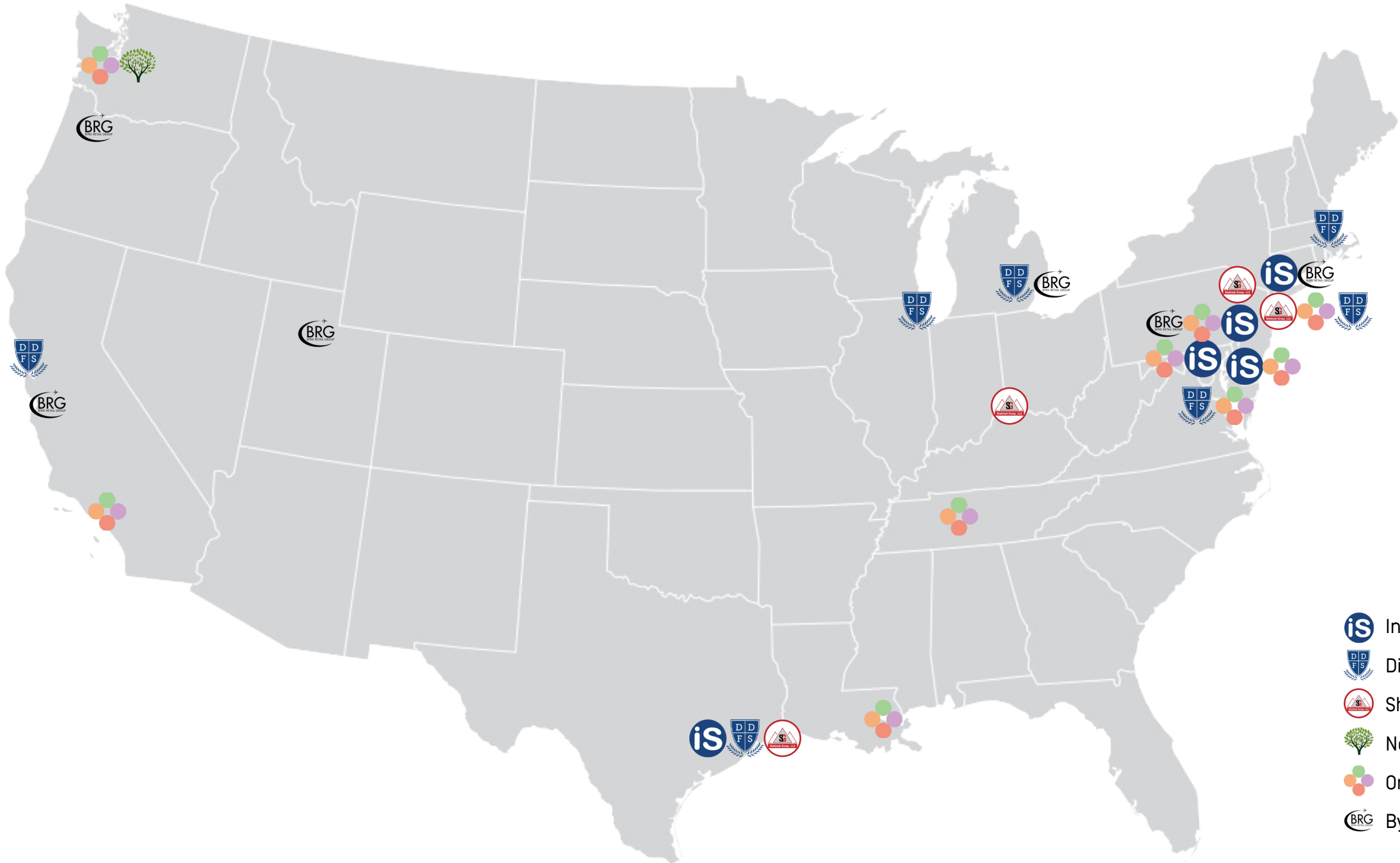
- Judith Byrd, President & CEO and current Vice Chairman of Airport Restaurant and Retail Association (ARRA)
 - Founding partner in Unison Consulting Group, Inc.
 - 1st full service minority owned airport consulting firm in the U.S. serving over 100 airports in North and South America
 - Directed over 70 airport concessions planning and master plan studies.
 - Currently provides advisory services in U.S. travel retail to The Estée Lauder Companies
- Eric Kicherer, Associate
 - Over 20 years of airport retail planning and real estate development experience.
 - Uniquely experienced in all aspects of Airport Real Estate Development—from the initial design and planning to concept development, financial analysis, leasing and operations.



iSEA AN EXCEPTIONAL TEAM

1 Who are we?

180+ locations across US Airports



-  International Shoppes
-  Diplomatic Duty Free Shops
-  Shekinah Group
-  Nexo Services
-  Onsite Retailers
-  Byrd Retail Group

iSEA THE WHOLE > SUM OF ITS PARTS

4 Who is doing what?

International Shoppes

- Will serve as finance member, operational leader, bondholder

Byrd, Onsite & Shekinah

- Will collectively manage the beauty category

Nexo Services

- Will manage ongoing repairs and maintenance of all shops ensuring first class store standards are upheld. Additionally, will act as owner's rep for initial and ongoing capital projects

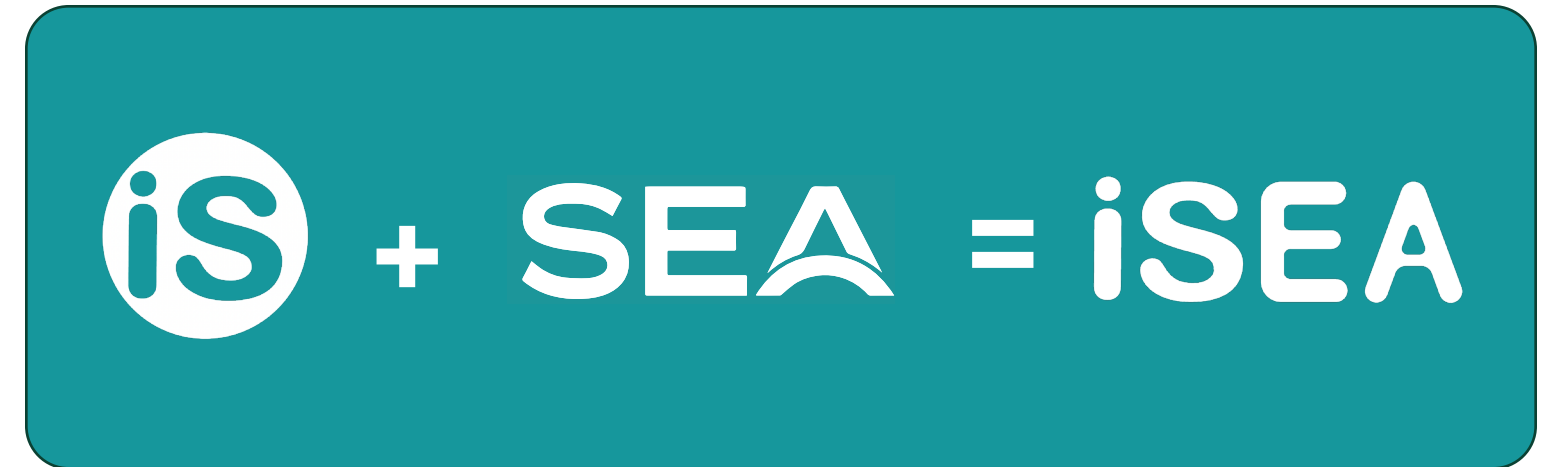


iSEA A NEW VISION

2 Why does this concept work?

A. The iSEA Brand

- Immediate sense of place
- iSEA Duty Free, iSEA Beauty, iSEA Style & iSEA Pop-Up
- Walk through mindset
- World class brands / local flavor



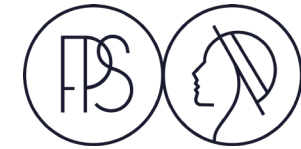
iSEA A NEW VISION

2 Why does this concept work?

B. Merchandise Offering

- Classic Duty Free assortments
- Addition of local offerings
- Personalized branding
- Data-driven selection
- Existing strong vendor relationships
- Never ending adaptation
- Letters of support

Local Legends & Global Brands



FRENCH GIRL



MIDDLE FORK ROASTERS

ARMANI

DOLCE & GABBANA



BURBERRY
LONDON ENGLAND

GUCCI



BVLGARI

PRADA



Dior



HERSHEY'S



TOM FORD

L'OCCITANE
EN PROVENCE



ESTÉE LAUDER

JO MALONE
LONDON

YVES SAINT LAURENT



iSEA A NEW VISION

2 Why does this concept work?

B. Merchandise Offering - *Letters of Support*

- **Landlord/Professional Group**
 - TOGA
 - WA Family Wineries
 - Tabor 100
 - Island Harvest
 - National Assoc. Of Wine Retailers
 - Massport
 - WA Brewers Guild
 - AvAir Pro
 - Gensler
- **Liquor**
 - Brown Forman
 - Remy Martin
 - Diageo
 - Pernod
 - Moet/Hennessy
 - Edrington
- **Local Brands**
 - Westland
 - Woodinville
 - Fast Penny
 - Elsom
 - French Girl
 - rue Santé Mindfulness
 - Middle Fork Roasters
 - Spinnacker Chocolate
 - St. Michelle
- **Beauty**
 - Estee Lauder
 - L'Oreal
 - LVMH Beauty
 - Coty
 - Chanel
- **Fashion**
 - Coach
 - Longchamp
 - Mont Blanc
 - Hugo Boss
 - Qeelin
 - Kering Sunglasses
 - Luxottica
 - REKLAIM
 - Tag Heuer
- **Confection**
 - See's Candy
 - Otis Confection
- **Tobacco**
 - Altria
 - JTI

iSEA A NEW VISION

2 Why does this concept work?

B. Merchandise Offering - *Branded Concepts*

- We are a house of brands
- Boutiques to include Longchamp, Mont Blanc and REKLAIM
- In line stores, Estée Lauder, Chanel, Dior and Lancôme
- Branded concepts
- Appeal to both International and Domestic passengers




CHANEL

Dior

TOM FORD

ESTÉE LAUDER

LA MER.

LANCÔME
PARIS

iSEA A NEW VISION

2 Why does this concept work?

B. Merchandise Offering - REKLAIM

- Pre-loved luxury watches and handbags
- Rolex, Omega and Cartier
- Hermès, YSL, Gucci and more
- First TR location - JFK
- Promotes Sustainability



iSEA A NEW VISION

2 Why does this concept work?

C. Frequency of Change

- Constant Change/Evolution
- Dynamic Digital Displays
- HPPs (High Profile Presentation Areas)
- Pop-ups
- Liquor & tasting activities



Maestro Dobel Pop Up, JFK T1



Carolina Herrera Pop Up, IAH



Maker's Mark Pop Up, JFK T1



The Macallan Pop Up, JFK T1

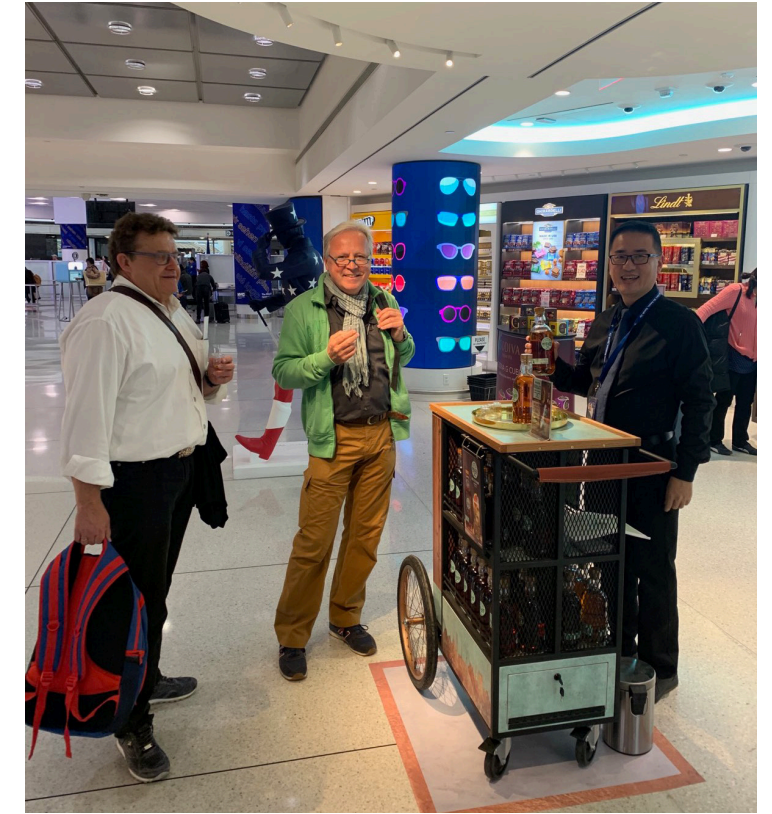


iSEA A NEW VISION

2 Why does this concept work?

D. Passenger Experiences

- Store Experience/Clear Navigation
- iShoppes.com
- Pricing and Promotions
- Instagrammable Moments
- 100% Happening!



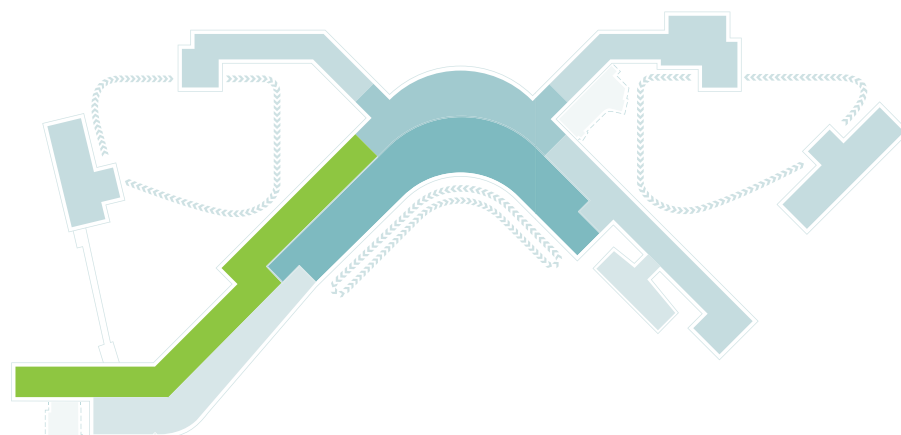
iSEA THROUGH THE CUSTOMERS' EYES

3 How will it look?

A. Concourse A

- Inspired by leading walk-through concepts, but tailored for SEA
- Robust category offerings
- Optimal circulation and views
- Clearly defined zones
- Tasting & brand activation spaces
- Ever-changing digital elements
- Featuring PNW design elements
- Highly visible stage

- BEAUTY
- LIQUOR
- CONFECTION
- TOBACCO
- HPP/ POP-UP



iSEA THROUGH THE CUSTOMERS' EYES



iSEA THROUGH THE CUSTOMERS' EYES



iSEA THROUGH THE CUSTOMERS' EYES



iSEA THROUGH THE CUSTOMERS' EYES



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iSEA THROUGH THE CUSTOMERS' EYES



iSEA THROUGH THE CUSTOMERS' EYES

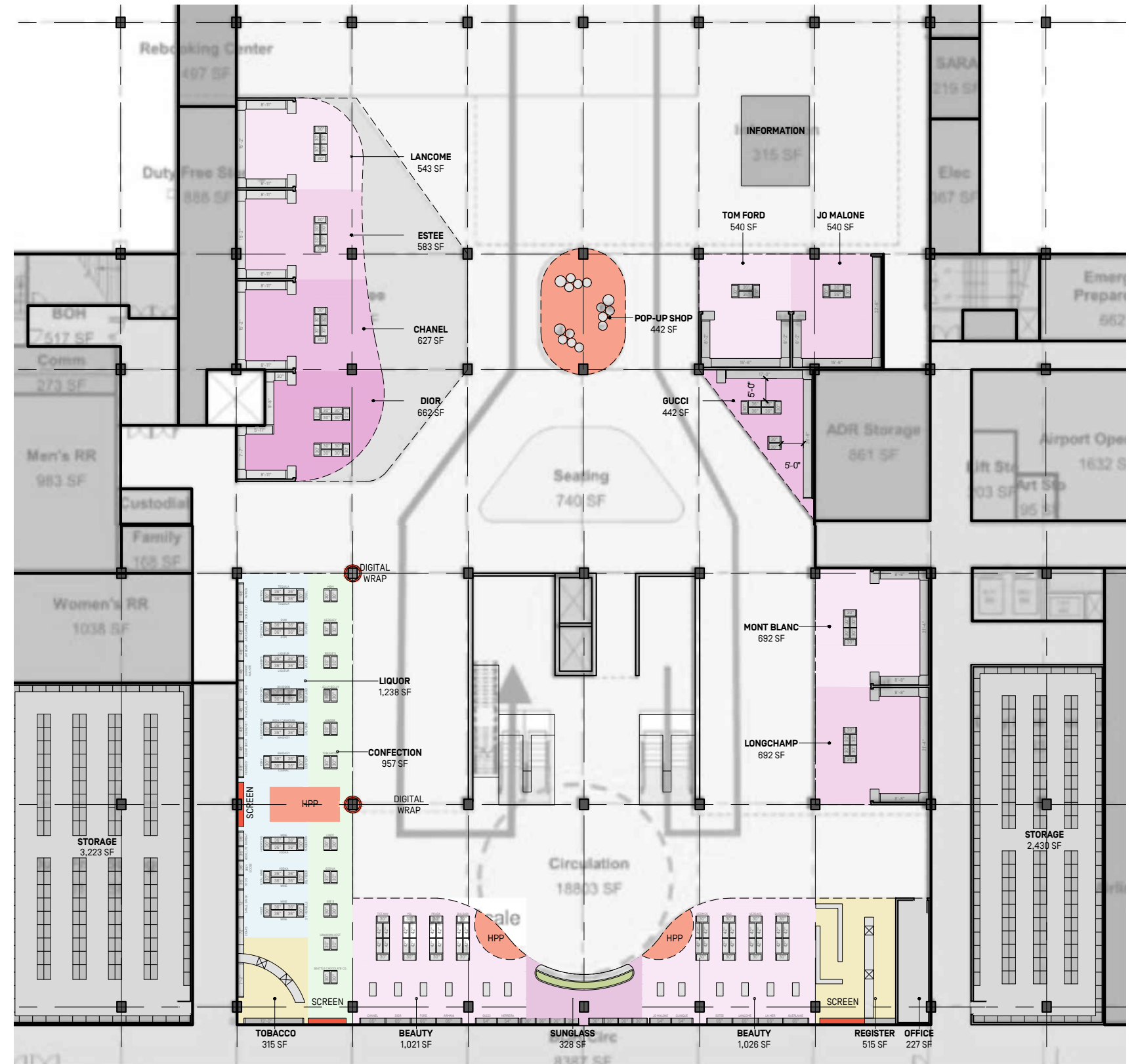
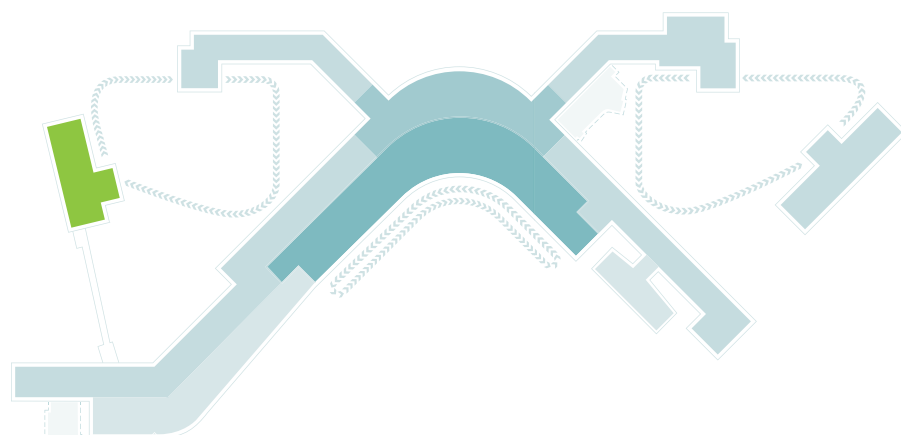
3 How will it look?

A. South Concourse

Diverse Category Offerings

- High Quality shop-in-shops, brand activation and pop-up spaces
- Art installations
- Clearly defined zones
- Inspired by the diverse cultural heritage of Seattle and its surrounding region

- BEAUTY
- LIQUOR
- CONFECTION
- TOBACCO
- HPP/ POP-UP



iSEA THROUGH THE CUSTOMERS' EYES



iSEA THROUGH THE CUSTOMERS' EYES



iSEA THROUGH THE CUSTOMERS' EYES



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iSEA THROUGH THE CUSTOMERS' EYES



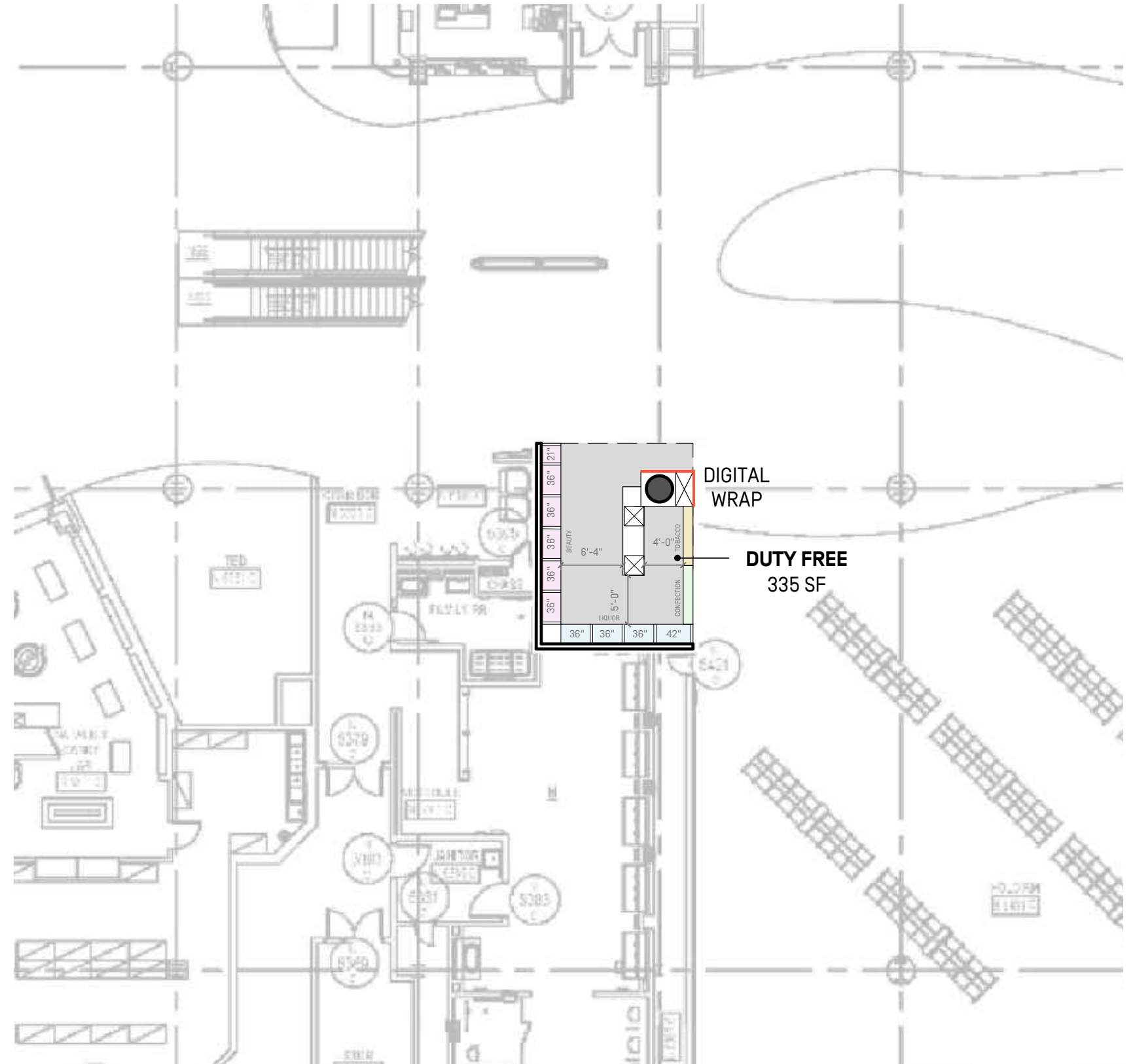
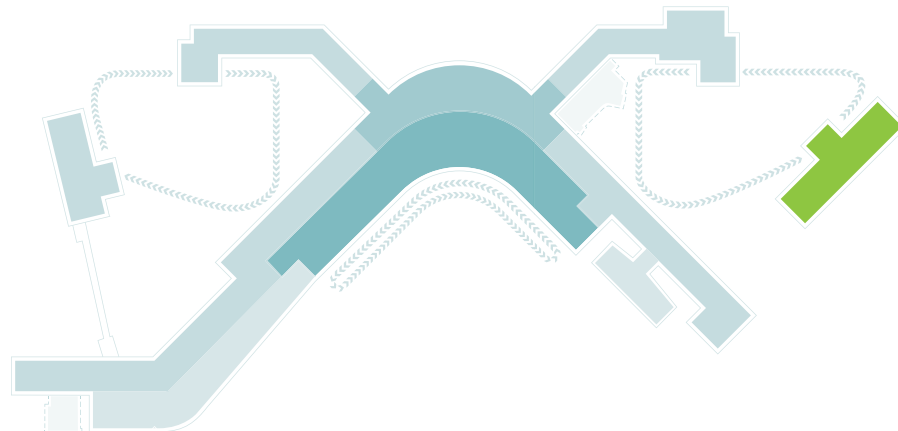
iSEA THROUGH THE CUSTOMERS' EYES

3 How will it look?

A. Concourse N

- Small but mighty
- Considered a “Top 20” store
- Curated with the top performing skus from each core duty-free category
- Supplemented with E-commerce

- BEAUTY
- LIQUOR
- CONFECTION
- TOBACCO
- HPP/ POP-UP



iSEA THROUGH THE CUSTOMERS' EYES

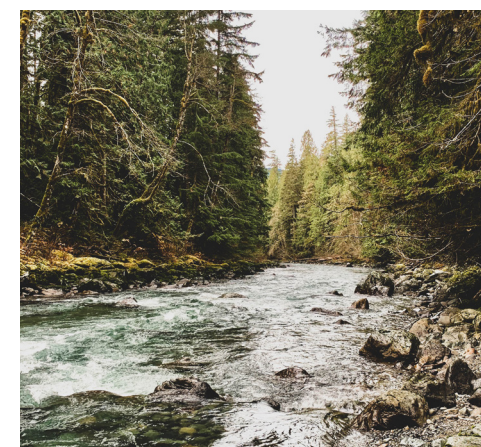
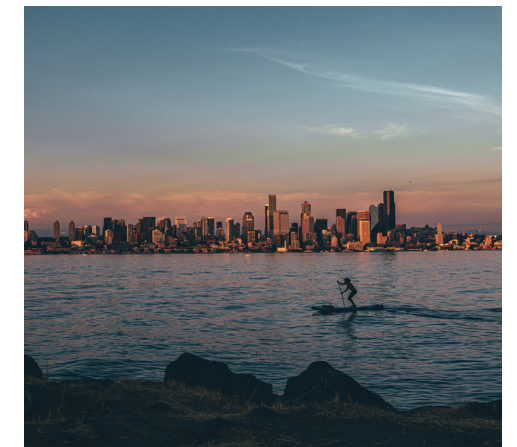
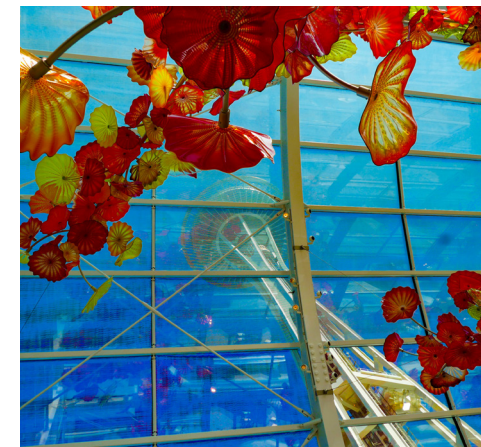


iSEA THROUGH THE CUSTOMERS' EYES

3 How will it look?

B. Key Design Elements

- Inspired by the PNW & its culture
- Unobstructed sightliness
- World-renown and local brands
- Dedicated areas for duty free packages
- Ample POS
- Dedicated spaces for surprise (HPP/tasting/pop-up)
- iSEA signage for consistency

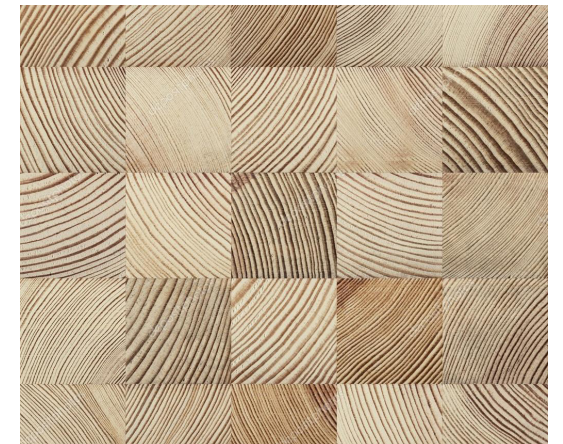


iSEA THROUGH THE CUSTOMERS' EYES

3 How will it look?

B. Key Design Elements - *Sustainability*

- Local Sourcing
- Recycled and Reclaimed Materials
- Durable and Long-lasting
- Low VOC Emissions
- Energy-Efficient Lighting



iSEA ~~CHALLENGES~~ OPPORTUNITIES

5 What are the challenges to build-out?

Concourse A - Schedule

- Variance in schedule between PDD [24 months] and RFP [12 months]
 - PDD outlines a more phased approach to construction
 - We assume the Port favors more phases given the potential impact to checkpoint #1 and to reduce the impact on concessions and passengers

Key Point:

Our team will work with the Port team as partners to develop a construction schedule and phasing that will align with Airport requirements and minimize impact on operations.

iSEA CHALLENGES OPPORTUNITIES

5 What are the challenges to build-out?

Concourse A - *Existing Conditions*

- **Fireproofing (PDD risk #2)** – if fireproofing extends beyond the work area (Gina Marie Lindsay Hall)
- **Curtain Wall Code Upgrades (PDD Risk #3)** – if large scale replacement or significant upgrades are required
- **Mechanical system design (PDD pages 59-60)** – Although PDD calls out minimum modifications, smoke control and HVAC system efficiency requirements may result in a more complex costly mechanical system than anticipated
- **Unknown spatial information** – No CAD/BIM information was provided so there are several unknowns related to existing conditions in the area, particularly related to ceiling heights

Key Point:

The existing conditions risks outlined will be key elements investigated early in design between our A/E design team and the GC in preconstruction.

iSEA CHALLENGES OPPORTUNITIES

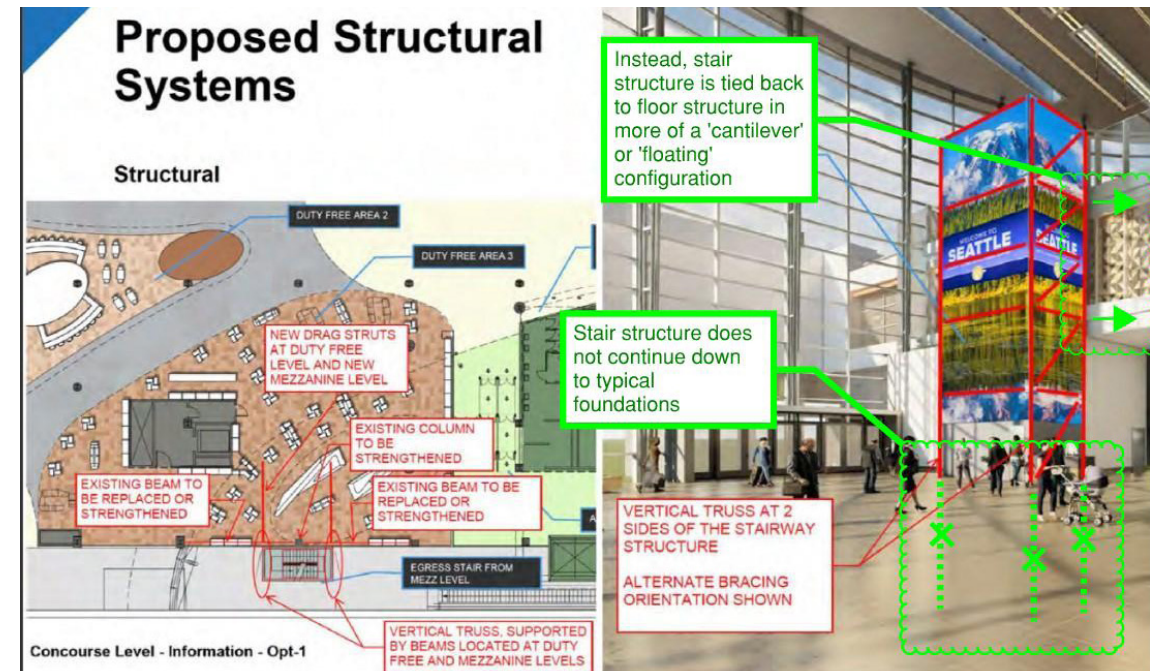
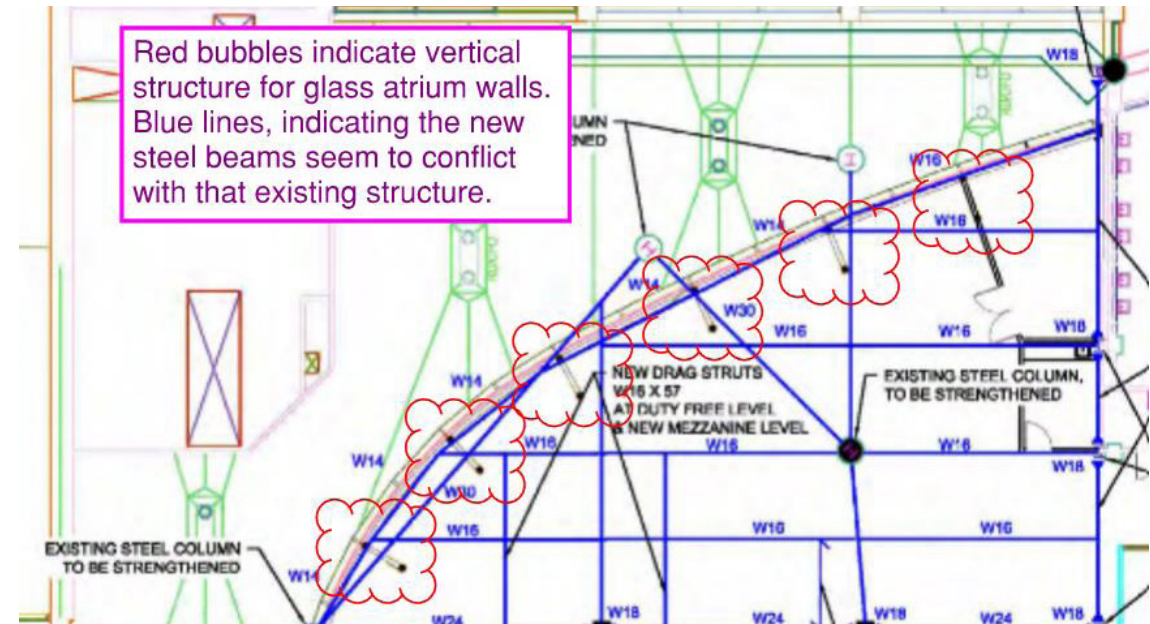
5 What are the challenges to build-out?

Concourse A - Structural Design

- Need further design development in structural design to understand how the structural framing for the new mezzanine ties into the existing Concourse framing and interfaces with the existing glazed atrium structure
- We had a structural engineer, MKA, provide a preliminary review of the structural design and they raised some concern about the proposed cantilevered stair structure. This design would need to be evaluated/developed further to confirm feasibility

Key Point:

As our team evaluates the design, we will work with the Port to align on these requirements.



iSEA CHALLENGES OPPORTUNITIES

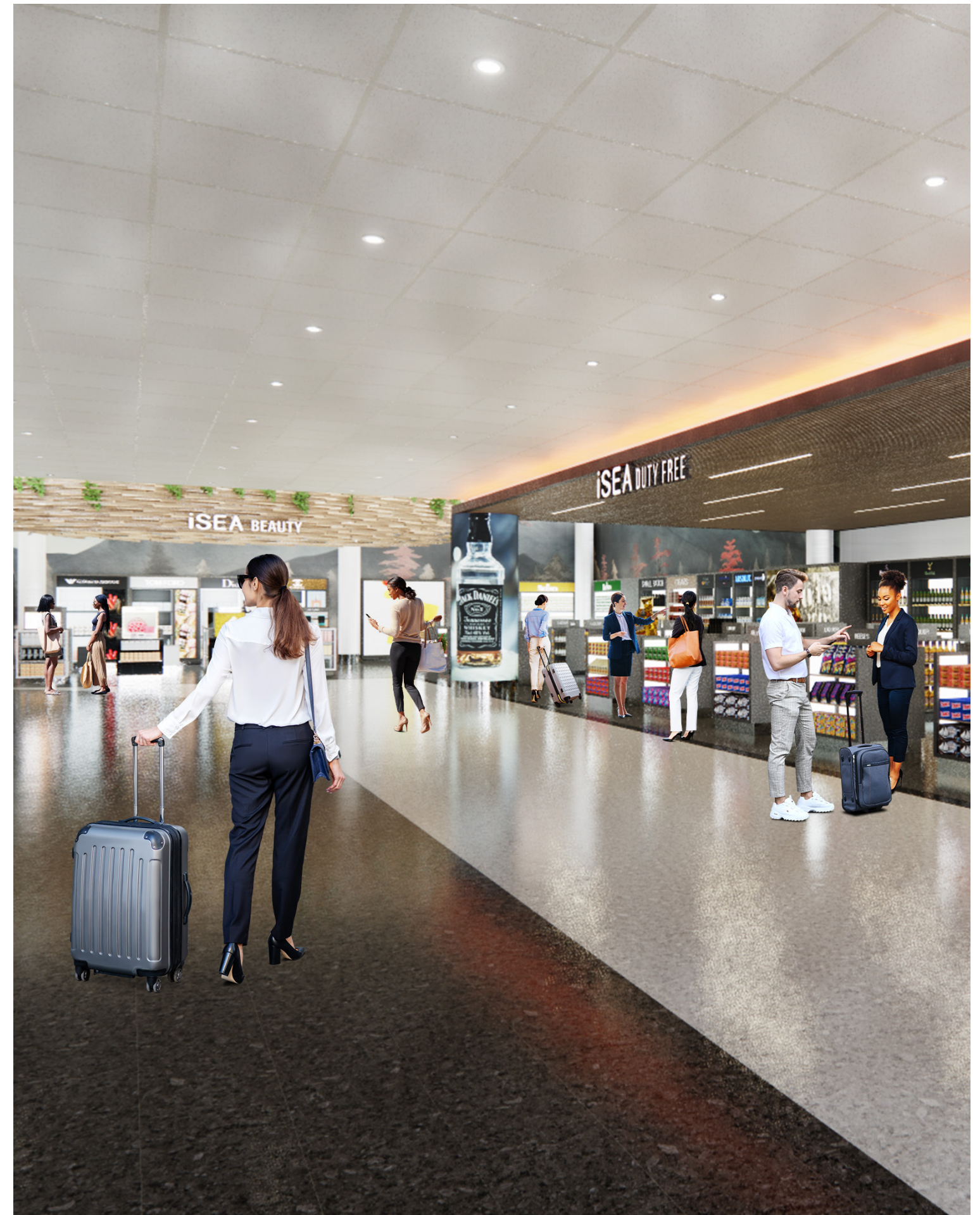
5 What are the challenges to build-out?

South Concourse - *Schedule*

- Coordinating construction and beneficial use between our Duty Free project and the South Concourse renovation project construction/timeline (“South Concourse Evolution – SoCoEvo”)

Key Point:

Our team understands that there is a large renovation project planned that will overhaul the entire South Concourse. We will work with the Port to align on scheduling. It will be important to establish schedule and turnover milestones as early as possible to maintain expectations.



iSEA CHALLENGES OPPORTUNITIES

5 What are the challenges to build-out?

South Concourse - *Existing Conditions*

- Unknown spatial information – No CAD/BIM information was provided so there are several unknowns related to existing conditions in the area, particularly related to ceiling heights
- Area is fully barricaded so visual inspection was not available either

Key Point:

The existing conditions risks outlined will be key elements investigated early in design between our A/E design team and the GC in preconstruction.



iSEA THROUGH OUR PARTNERS' EYES

6 How did we calculate the TRA design costs?

- Global architecture, design and planning firm
Gensler took the lead
 - Gensler developed an estimated A/E fee based on their understanding of the project and Port of Seattle requirements
 - Gensler first estimated the TRA construction cost of \$33.7M by deducting the estimated fit-out construction cost of \$12M (12,000SF x \$1,000/SF) from the PDD total project estimate of \$45.7M
 - Based on a project of this size, they then calculated the A/E fee of \$3.18M based on estimated cost of both in-house and subcontracted services
- Gensler's estimate came to approximately 9% cost of construction. This percentage was validated against A/E fees of similar TRA projects

Key Point:

Our team is confident in the A/E fee as a percentage of the cost of construction [9%]. However, due to the outlined risks and unknown conditions, there are risks to the total cost of construction.

AvAirPros

Gensler

MAGNUSSON
KLEMENCIC
ASSOCIATES



iSEA THROUGH OUR PARTNERS' EYES

7 Will we use DBB or GCCM?

- Prefer GCCM approach, where the General Contractor would be brought on board at 30% design stage.
- The initial 30% design package would give the GC a basis from which to:
 - Assess cost and phasing/schedule assumptions
 - Provide a basis for determining the extent of existing condition assessment and begin identifying any early works packages.
- Onboarding GC earlier will result in higher costs with marginal benefits

Key Takeaway:

We believe this approach to be most efficient and will work with the Port to determine appropriate timeframe for engaging a GC.



iSEA ANSWERING YOUR QUESTIONS

8 What questions does SEA have for us?



iSEA OUR FUTURE TOGETHER

- **World-class redevelopment of SEA's duty free program**
 - Innovative store design
 - Commitment to local brands & communities
 - Comprehensive merchandise selection
 - Quality operational expertise
 - Phenomenal customer experience
 - Major investment and financial commitment
- **Fusion of multiple US family enterprises with old-school values & new school technologies**
- **iSEA is a great partner with dedicated & experienced leadership**
- **Track record of success & excellence in design, customer service, and revenue generation**
- **Financially stable, ready for accelerated growth NOW.**
 - Increase SEA's Duty Free revenues in 2024

DUTY FREE

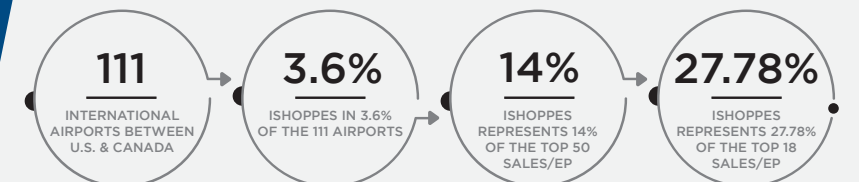
2022 TOP 50 TERMINALS BY SALES/EP
(U.S & CANADA)



	IATA CODE	CITY	TERMINAL NAME
1	JFK	NEW YORK	TERMINAL 1
2	LAX	LOS ANGELES	TBI
3	SFO	SAN FRANCISCO	INTERNATIONAL TERMINAL
4	MCO	ORLANDO	TERMINAL C
5	JFK	NEW YORK	TERMINAL 7
6	YUL	MONTREAL	AIRPORTWIDE
7	IAH	HOUSTON	TERMINAL D
8	JFK	NEW YORK	TERMINAL 4
9	MIA	MIAMI	TERMINAL/CONCOURSE F
10	ORD	CHICAGO	TERMINAL 5
11	LAS	LAS VEGAS	TERMINAL 1
12	YYC	CALGARY	CONCOURSE E
13	IAD	WASHINGTON	CONCOURSE A
14	BOS	BOSTON	TERMINAL E
15	JFK	NEW YORK	TERMINAL 8
16	MIA	MIAMI	TERMINAL/CONCOURSE 1
17	ATL	ATLANTA	CONCOURSE F
18	JFK	NEW YORK	TERMINAL 5
19	MIA	MIAMI	TERMINAL/CONCOURSE H
20	MIA	MIAMI	TERMINAL/CONCOURSE D
21	MIA	MIAMI	TERMINAL/CONCOURSE E
22	IAD	WASHINGTON	CONCOURSE B
23	YYC	CALGARY	CONCOURSE D
24	EWR	NEWARK	TERMINAL B
25	ATL	ATLANTA	CONCOURSE E
26	MCO	ORLANDO	AIRSIDE 4
27	PHL	PHILADELPHIA	TERMINAL A - EAST
28	EWR	NEWARK	TERMINAL C
29	LAS	LAS VEGAS	TERMINAL 3
30	IAH	HOUSTON	TERMINAL E
31	DFW	DALLAS FORT WORTH	TERMINAL D
32	PHL	PHILADELPHIA	TERMINAL A - WEST
33	IAD	WASHINGTON	CONCOURSE C
34	FLL	FORT LAUDERDALE	TERMINAL 4
35	LAX	LOS ANGELES	TERMINAL 6
36	TPA	TAMPA	AIRSIDE F
37	IAD	WASHINGTON	CONCOURSE D
38	BOS	BOSTON	TERMINAL C
39	FLL	FORT LAUDERDALE	TERMINAL 3
40	SAT	SAN ANTONIO	TERMINAL A
41	SEA	SEATTLE	AIRPORTWIDE INFORMATION
42	LAX	LOS ANGELES	TERMINAL 7
43	LAX	LOS ANGELES	TERMINAL 2
44	YOW	OTTAWA	AIRPORTWIDE INFORMATION
45	DTW	DETROIT	MCNAMARA TERMINAL
46	SWF	NEW WINDSOR	STEWART TERMINAL
47	YEG	EDMONTON	AIRPORTWIDE INFORMATION
48	LAX	LOS ANGELES	TERMINAL 4
49	IAH	HOUSTON	TERMINAL B
50	SJC	SAN JOSE	TERMINAL A



BY THE NUMBERS***
***AXN 2023 FACT BOOK



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Written clarifications on questions 5-7

5. What challenges do you foresee in building out both the Concourse A and South Concourse spaces?

a. Concourse A Key Challenges:

i. **Schedule**

- Based on review of the documents provided, the team noted that there was a variance in schedule/phasing between the Project Definition Document and the Request for Proposal (RFP)
 - The PDD outlined a longer, more phased approach to construction that would occur over **24 months** [See PDD pages 85-89 for phasing/schedule]

ID	Task Mode	Task Name	Duration	Start	Finish
1		Concourse Level	546 days	Tue 10/1/24	Tue 11/3/26
2		Phase 1 - Duty Free Area 3	150 days	Tue 10/1/24	Mon 4/28/25
3		Phase 2 - DF Area 3 w/New Exit	88 days	Tue 4/29/25	Thu 8/28/25
4		Phase 3 - Duty Free Area 2	110 days	Fri 8/29/25	Thu 1/29/26
5		Phase 4 - Duty Free Area 1	88 days	Fri 1/30/26	Tue 6/2/26
6		Phase 5 - Pathways	66 days	Wed 6/3/26	Wed 9/2/26
7		Phase 6 - Customer Service Hub	44 days	Thu 9/3/26	Tue 11/3/26
8		Mezzanine Level	132 days	Tue 4/29/25	Wed 10/29/25
9		Phase A	132 days	Tue 4/29/25	Wed 10/29/25
10		Stair Tower	282 days	Tue 10/1/24	Wed 10/29/25
11		STS Level	115 days	Tue 10/1/24	Mon 3/10/25
12		Baggage to Mezz Level	132 days	Tue 4/29/25	Wed 10/29/25



- However, the more recent RFP outlines a construction schedule of **12 months** [See RFP page 33]

Duty Free Design and Construction Schedule Concourse A Base Building/Tenant Design			
ACTIVITY	DURATION	END DATE	PREDOCESSURE
Design/Concept Kick Off	60	Q3 2024	
60% Design Submission	190	Q1 2025	Design/Concept Kick Off
90% Design Submission	120	Q2 2025	60% Design Submission
100% Design Submission	40	Q2 2025	90% Design Submission
Permit Set	49	Q3 2025	100% Design Submission
Building Permit Issued	55	Q4 2025	Permit Set
Base Building/Tenant Construction			
Pre-Construction Meeting	30	Q4 2025	Building Permit Issued
Notice to Proceed	7	Q4 2025	Pre-Construction Meeting
Temporary Certificate of Occupancy	365	Q4 2026	Notice to Proceed
Notice to Stock/Train and Open	14	Q4 2026	Temporary Certificate of Occupancy

- It is assumed that the Airport may favor more phases than less given the potential impact to checkpoint #1 and reduced impact on other concessions and passengers.

Schedule Variance Key Point: iShoppes and team will work with the Port team as partners to develop a construction schedule and phasing that will align with Airport requirements and minimize impact on operations.

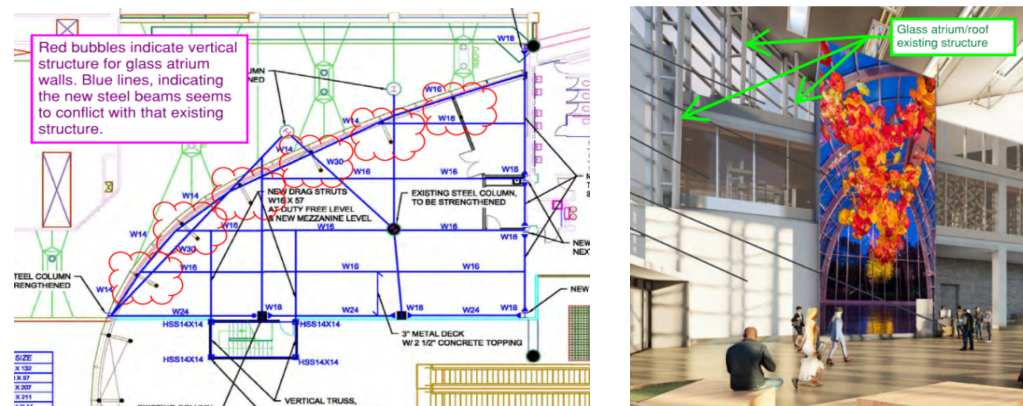
ii. **Existing Condition Unknowns/Risks**

- The PDD Risk Register outlines a few risks that could be impactful to the Concourse A project and could drive significant increase in scope/cost [See PDD page 96], particularly:
 - Fireproofing (Risk #2) – if fireproofing is required in the Gina Marie Lindsay Hall (GMLH) beyond the immediate work area of the new mezzanine, this could present a significant challenge requiring a much larger area of construction and greater impact on airport operations.
 - Curtain Wall Code Upgrades (Risk #3) – if large scale replacement or significant upgrades are required, this could significantly expand the project work area and operational impacts.
- Mechanical system design (PDD pages 59-60) – The Smoke Control and HVAC Systems sections of the programming document called out ‘minimal modifications to the existing Smoke Control and HVAC systems based on the limited additional square footage. However, based on past experience, the Port’s mechanical system requirements often impact Airport projects’ scope and budget. Specifically, smoke control and system efficiency (largely driven by environmental goals) resulting in a more complex and costly mechanical system.
- Unknown spatial information – CAD/BIM information was not provided as part of the RFP/Proposal stage, so there are several unknowns related to existing conditions in the area, particularly related to ceiling heights, non-public areas, etc.

Existing Conditions Key Point: The existing conditions risks outlined above will be key elements investigated early in design between our A/E design team and the GC Preconstruction services – see agenda item 7

iii. Structural Design

- The conceptual structural design in the PDD (structural members indicated with blue lines in the diagram below-left) seems to conflict with the structure for the curtain wall (curtain wall structural vertical trussed columns indicated with red bubbles diagram below-left, and indicated with green arrows below-right image). It is not clear how the new structural framing would interface with the existing curtainwall structure and the existing concourse structural framing system – this could drive significant structural design changes and complicate construction.



6. Please explain the rationale used for estimating the Tenant Reimbursement design cost provided in the Proposal. How confident are you with that dollar amount. (INFORMATIONAL PURPOSES ONLY FOR THE PORT IN SECURING FUNDS)

- a. TRA Design Cost Methodology:
 - i. Gensler participated in the Pre-Proposal Meeting and supported our team on reviewing the project scope and technical design requirements.
 - Gensler developed an estimated A/E fee based on their understanding of the project and Port of Seattle requirements.
 - The fees for their sub consultants were based on past experience and similar projects.
 - They considered the cost of in-house services needed.
 - Gensler \$3.18M estimate was based on an estimated TRA construction cost of \$33.7M [PDD total project estimate of \$45.7M minus estimated fit-out construction cost of \$12M (12,000SF x \$1,000/SF)]
 - ii. Gensler's estimate came to approximately 9% cost of construction. This percentage was validated against A/E fees of similar projects TRA projects.
- b. We are confident in this fee based on the cost of construction estimate and scope that was listed in the PDD – However, based on some significant risks that could change that scope and cost, feel that there is a risk to that fee valuation.
 - i. Schedule variance from RFP – based in the wide variance between the PDD and RFP schedule (1 year vs. 2 years), the ultimate phasing of the project could result in additional A/E fees for Construction Administration
 - ii. The PDD lists risks related to existing conditions (fireproofing, curtain wall, as outlined above in section 5.a.ii) – Depending on the outcome from further review of those conditions, they could add scope to the A/E design.
 - iii. Without access to building CAD/BIM files during this initial design exercise and fee estimate, there is a risk that A/E fees could escalate based on adapting the design concept to existing building conditions/dimensions.
 - iv. Gensler's initial discussions with a structural engineer (MKA) with significant experience at SEA, raised concern about the structural design strategy outlined in the PDD ('cantilevered' stair tower, and attachment to existing building framing/curtain-wall) – potential need to redesign/re-think this structural design could result in additional A/E design fees.

TRA A/E fee Key Point: iShoppes team is confident in the A/E fee as a percentage of the cost of construction (9%). However, due to the outlined risks and unknown conditions, there are risks to the total cost of the construction itself.

7. Please specify if you intend on using Design Bid Build (DBB) or General Contractor Construction Management (GCCM) delivery methodology for the Tenant Reimbursement on Concourse A (INFORMATIONAL PURPOSES ONLY FOR PORT IN SECURING FUNDING)

The proposal was based on a GCCM approach, whereby the General Contractor would be brought on board at 30% design stage.

- a. GC Preconstruction services will be critical in assessing existing conditions and in validating initial cost/schedule assumptions.
- b. However, bringing the GC on board prior to 30% design has limited benefit, as they would not have an initial design from the A/E team to evaluate.
- c. This initial 30% design package would give the GC a basis from which to:
 - i. Assess cost and phasing/schedule assumptions.
 - ii. Provide a basis for determining the extent of existing condition assessment and begin identifying any early works packages.