

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Aviation

AGENDA DATE: May 23, 2023

CONTACT PERSON NAME AND PHONE NUMBER: Sam Rodriguez, PE, (915) 212-7301

DISTRICT(S) AFFECTED: 3

CITY STRATEGIC GOAL 1: Create an Environment Conducive to Strong, Sustainable Economic Development.

SUBJECT:

Resolution to authorize the City Manager to sign an a Concession License Agreement between the City of El Paso ("City") and 24 Hour Flower, Inc ("Concessionaire") to allow Concessionaire to operate automated retail machines at the El Paso International Airport, with Concessionaire's payment to the City being the greater of an amount based on the square footage of the concession site or a percentage of the revenues derived from the automated retail machines, for a one year term, with an option to renew the Agreement for four additional one-year terms.

Term for this agreement shall be for one (1) year with the option to extend for four additional one-year terms. Total value of the concession site is \$1,542.50 annually at a rate of \$61.70 per square foot. Agreement includes a percentage revenue sharing at 12% of gross revenue derived from the ARM.

BACKGROUND / DISCUSSION:

The Department of Aviation is requesting approval of this item to allow 24 Hour Flower, Inc. to provide automated retail services at the El Paso International. 24 Hour Flower, Inc concessions will include a flower machine dispensing fresh flower bouquets located in the main lobby Meet & Greet.

PRIOR COUNCIL ACTION:

N/A

AMOUNT AND SOURCE OF FUNDING:

N/A: This is an in-kind item

BOARD / COMMISSION ACTION:

N/A

DEPARTMENT HEAD:

Sam Rodriguez

Sam Rodriguez, PE, Director of Aviation

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager, or designee, is authorized to sign a Concession License Agreement between the City of El Paso ("City") and 24 Hour Flower, Inc. ("Concessionaire") to allow Concessionaire to operate automated retail machines at the El Paso International Airport, with Concessionaire's payment to the City being the greater of an amount based on the square footage of the concession site or a percentage of the revenues derived from the automated retail machines, for a one year term, with an option to renew the Agreement for four additional one-year terms.

APPROVED this ____ day of _____, 2023.

CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:

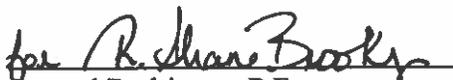
Laura D. Prine
City Clerk

APPROVED AS TO FORM:

 (for)

Leslie B. Jean-Pierre
Assistant City Attorney

APPROVED AS TO CONTENT:



Samuel Rodriguez, P.E.
Director of Aviation

RESOLUTION

STATE OF TEXAS) **EL PASO INTERNATIONAL AIRPORT**
) **CONCESSION LICENSE AGREEMENT**
COUNTY OF EL PASO) **(AUTOMATED RETAIL)**

This Concession License Agreement (“**Agreement**”) is made this ____ day of April, 2023 (“**Effective Date**”) between the City of El Paso, a municipal corporation organized and existing under the laws of the State of Texas (“**City**”) and 24 Hour Flower, Inc. (“**Concessionaire**”). For the convenience of the parties, all defined terms appear in **bold print** when first defined.

WHEREAS, the City owns and operates the El Paso International Airport located in El Paso County, Texas (“**Airport**”); and

WHEREAS, Chapter 22 of the Texas Transportation Code authorizes municipal airports, as governmental entities, to assess charges, rentals or fees for the privilege of supplying goods, commodities, things, services or facilities at municipal airports; and

WHEREAS, Concessionaire is qualified to provide automated retail services at the Airport; and

WHEREAS, the City deems it advantageous to the City and the Airport to grant a Concession License to Concessionaire, subject to the covenants, promises, and terms contained herein;

NOW, THEREFORE, the parties agree as follows:

For, and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

ARTICLE I – PURPOSE OF LICENSE AGREEMENT

1.01 Purpose

The City grants to Concessionaire license and permission to occupy and use the areas described in this Agreement for the following purpose only: to provide automated retail services through placement of Concessionaire’s automated retail machine (“**ARM**”) in the permitted areas.

ARTICLE II – DESCRIPTION OF AR MACHINE AND LOCATION

2.01. Description of ARM

Concessionaire’s ARM sells and dispenses the following type of products or services: fresh flowers from the following branded retailer: El Paso Floral Distributors. For purposes of this Agreement, Concessionaire shall only sell products listed on the Products List attached as Exhibit “A”.

2.02 Location and Size of Concession Site

A. ARM shall be located in the following area of the Airport (“**Concession Site**”), which shall be

of the following size:

1. Meet and greet area, consisting of 25 square feet.
- B. The location(s) of the Concession Site is shown on the Airport terminal map, attached hereto as Exhibit "B" ("Concession Site(s)").

ARTICLE III - PRIVILEGES, USES AND RIGHTS

3.01 Description of Privileges, Uses and Rights

The City grants to Concessionaire the following privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants set forth in this Agreement:

- A. The non-exclusive right, license and privilege to locate, maintain and operate its ARM in the Airport terminal building for the purpose of providing products for purchase by the public on behalf of a branded retailer, as described in Paragraph 2.01, above. Selling products not specified in this Agreement is a material breach of the Agreement. If Concessionaire offers products not in the scope of this Agreement, the Director of Aviation ("Director"), or designee, will notify Concessionaire in writing, and Concessionaire will have 24 hours to remedy the breach. Failure to remedy will result in the City's right to terminate this Agreement.
- B. The right, license, and privilege granted pursuant to Paragraph 3.01 (A), above, shall be subject to all applicable laws, ordinances, rules and regulations.
- C. The right of ingress to, and egress from, the Concession Site by Concessionaire, its officers, employees, agents, patrons, and invitees. Said rights shall be subject to such ordinances, rules and regulations relating to the use and operations at the Airport and subject further at all times, to the Director's approval and control.
- D. Concessionaire's employees working at the Airport Terminal will be provided vehicular parking facilities, if available, in common with other employees. Such facilities shall be located in an area designated by the Director. The Director reserves the right to assess a reasonable charge to Concessionaire or its employees for such parking facilities.

ARTICLE IV - CONDITIONS AND TERMS

4.01 Conditions and Terms.

This Agreement is entered into subject to the following conditions and terms:

- A. Concessionaire shall not alter Concession Site in any manner without the Director's prior written approval.

- B. Concessionaire's activities shall be limited to the operation and maintenance of the permitted ARM.
- C. Prior to placement of ARM at the Airport, Concessionaire shall coordinate with the Director, or designee, to ensure placement at the correct Concession Site.
- D. The Director, from time to time, may require Concessionaire to relocate its ARM to another location in or around the Airport terminal building. The Director will determine the location of any temporary Concession Site and provide Concessionaire written notice of any requirement that Concessionaire relocate its ARM. Such written notice from the Director shall include a reasonable deadline by which Concessionaire must complete the relocation. Concessionaire shall be responsible for relocating its ARM by the specified deadline. Should Concessionaire fail to relocate its ARM by the specified deadline, the Airport or a third party contracted by the Airport, may relocate the ARM and the Airport shall bill Concessionaire for the cost of relocating Concessionaire's ARM. The Airport shall not be responsible for any damage to the Concessionaire's ARM or Concessionaire's products that may result from the Airport relocating Concessionaire's ARM pursuant to this Paragraph 4.01 (D).
- E. Concessionaire's right to use public Airport facilities in common with other authorized parties shall be exercised only subject to, and in accordance with, the laws of the United States of America and the State of Texas; the rules and regulations promulgated under their authority with reference to aviation and air navigation; and all applicable rules, regulations and ordinances of City now in force or hereafter prescribed or promulgated by Charter authority or by law.
- F. Concessionaire shall provide a high-quality ARM that has up-to-date technology; is of recent, modern design; and is clean, fully operational, efficient, and user-friendly.
- G. Concessionaire will utilize only the roadways, pathways, routes, or forms of travel City may designate, from time to time, for Concessionaire's operation and movement on or about the Airport.
- H. Other than the ARM, Concessionaire may install or place improvements, decorations, fixtures, equipment, or supplies on the Concession Site only with Director's written approval. Any installation or placement of improvements, decorations, fixtures, equipment, or supplies on the Concession Site without Director's written approval shall be considered a material breach of this Agreement, and City may terminate this agreement in accordance with the provisions set forth in Article X. Any installation or placement of improvements, decorations, fixtures, equipment, or supplies on the Concession Site shall be removed by Concessionaire within five (5) calendars of the termination of this Agreement. Should Concessionaire fail to remove any improvements, decorations, fixtures, equipment, or supplies on the Concession Site within five (5) calendar days of the termination of this Agreement, the Airport or a third party contracted by the Airport, may remove such items and the Airport shall bill Concessionaire for the cost of removal. The Airport shall not be responsible for any damage to the Concessionaire's property

that may result from the Airport removing items pursuant to this Paragraph 4.01 (H).

- I. The Director must approve, in writing, any temporary signs or advertising on the Concession Site prior to placement by Concessionaire. Any placement of temporary signs or advertising on the Concession Site made without the Director's approval shall be considered a material breach of this Agreement, and City may terminate this agreement in accordance with the provisions set forth in Article X. Any temporary signs or advertising on the Concession Site shall be removed by Concessionaire within five (5) calendars of the termination of this Agreement. Should Concessionaire fail to remove temporary signs or advertising on the Concession Site within five (5) calendar days of the termination of this Agreement, the Airport or a third party contracted by the Airport, may remove such items and the Airport shall bill Concessionaire for the cost of removal. The Airport shall not be responsible for any damage to the Concessionaire's property that may result from the Airport removing items pursuant to this Paragraph 4.01 (I).

ARTICLE V – CITY AND CONCESSIONAIRE OBLIGATIONS AND WARRANTIES

5.01 CITY'S OBLIGATIONS.

- A. The City shall provide:
 - (1) Customer access to the Concession Site, subject to any necessary, temporary interruptions that may occur from time to time.
 - (2) Existing lighting, air conditioning, and electrical service at the Concession Site.
- B. The City warrants:
 - (1) Concession Site complies with the requirements of all applicable governmental authorities in effect as of the Effective Date. During the Term, City shall take appropriate and timely action to maintain the terminal in compliance with all applicable governmental regulations, including without limitation, the Americans with Disabilities Act, hereafter imposed by order of any governmental agency or any other authority, at its sole cost and expense and without reimbursement from Concessionaire; provided, however, that if any requirement is imposed solely as a result of the specific and unique use of the Concession Site by Concessionaire, then Concessionaire shall bear the cost of compliance.
 - (2) All systems and equipment that are the responsibility of City are in good operating condition as of the Effective Date. If any of the existing systems or equipment that are the City's responsibility should fail during the Term, the City shall rectify such failure at its sole cost and expense, except for any failures caused by Concessionaire.

5.02 CONCESSIONAIRE’S OBLIGATIONS

A. Concessionaire shall provide:

- (1) Installation, operation, and regular maintenance of the ARM.
- (2) All equipment necessary to properly conduct Concessionaire’s business.
- (3) A sufficient amount of merchandise stocked in the ARM to ensure that merchandise is available for customers. Fees or charges to customers must be reasonable, and not unjustly discriminatory, provided that Concessionaire is allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- (4) Installation of additional outlets or circuits or telecommunications equipment if necessary for proper functioning of the ARM, with the prior written approval of the Director, or designee.

B. Concessionaire warrants:

- (1) Concessionaire understands the restrictions imposed on City by 49 CFR Part 1540 and 1542 as amended and agrees to assume responsibility for compliance with said regulations as they relate to access and identification procedures on the Premises. Concessionaire recognizes that all persons in or on the Concession Site must comply with federal safety and security requirements and agrees that all employees shall, as a condition of being on the Concession Site, be badged by the Airport and that all other persons shall be escorted in accordance with Airport requirements. Concessionaire shall also require that all personnel of any subcontractor shall also be similarly badged and/or escorted.
- (2) Concessionaire understands that all of its agents, employees, or independent contractors must be authorized by City to enter restricted areas as defined in Title 14 of the El Paso City Code as amended. Concessionaire understands that no person authorized to enter a restricted area by virtue of this Agreement may permit any other person who is not otherwise authorized to enter a restricted area unless such person is, at all times while in the restricted area, in the company of an authorized person as required.

ARTICLE VI - SERVICES TO BE PERFORMED BY CONCESSIONAIRE

6.01 HOURS OF OPERATION.

The ARM will be available, operable and continuously open for business to the public seven (7) days a week, 24 hours per day.

6.02 TYPE OF OPERATION.

- A. Concessionaire shall ensure that service is available on a fair, reasonable and non-discriminatory basis to the public. Service shall be prompt, courteous and efficient and shall be adequate to meet the demands for service at the Airport.
- B. Concessionaire shall maintain and operate the ARM in a clean, functional, user-friendly, and up-to-date manner and shall keep the Concession Site in a safe, clean, and orderly condition at all times, satisfactory to the City.
- C. Concessionaire shall maintain any necessary licenses or permits at its sole expense.
- D. Concessionaire shall place a phone number on the ARM for customers to call for assistance should the ARM malfunction.
- E. Concessionaire shall obtain any necessary Airport badges for its employees if such badges are required to access secured areas in the Airport for purposes of installing, maintaining or stocking ARM.

6.03 COMPLIANCE WITH LAWS.

- A. Concessionaire agrees that all activities related to the Concession Site and the ARM shall be, at Concessionaire's sole expense, conducted in accordance with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, including, but not limited to, those which shall impose any duty upon the City or Concessionaire. By way of example and not in limitation of the foregoing, the execution of this Agreement shall not preclude the requirement that Concessionaire obtain all other approvals necessary for development of Concessionaire's project such as, but not limited to, all permits, franchises, licenses, certificates and other authorizations required by law and shall pay all special fees or charges legally levied or assessed.
- B. Concessionaire agrees to comply with the Americans with Disabilities Act; make or cause to be made all such alterations to the Concession Site, and any improvements thereon, including, without limiting the generality of the requirements of this sentence, removing such barriers and providing such alternative services, as shall be required by the Americans with Disabilities Act of 1990 and any other laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which relate to use or occupation of the Concession Site.
- C. Concessionaire shall, at Concessionaire's expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, affecting Concessionaire's use, operation, or occupation of the Concession Site including any improvements thereon.

6.04 SOLICITATION AND CONDUCT.

- A. Concessionaire shall prohibit its agents, attendants, and employees from engaging in the solicitation of its services on or about the Airport in a loud, boisterous, offensive or objectionable manner. In the event of questionable conduct in such solicitation, the Director, or designee, shall be sole judge in determining if said conduct is a violation of this paragraph. Upon receipt of notice from the Director, or designee, the Concessionaire shall immediately take all steps necessary to eliminate the undesirable condition.

- B. Concessionaire, its agents, attendants, and employees shall strive to maintain cooperative relationships with other companies engaged in business at the Airport. Concessionaire shall not engage in open public disputes, disagreements or conflicts that would tend to deteriorate the quality of the ARM service or that would be incompatible with the best interest of the public at the Airport. The Director, or designee, shall have the right, but not the requirement, to resolve all such disputes, disagreements or conflicts; and the Director's (or designee's) determination shall be binding upon Concessionaire.

6.05 TRASH, GARBAGE, REFUSE.

Concessionaire shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of the operation of its business. Any cardboard boxes must be removed from the Airport or may be disposed of in the Airport's recycling bin should Airport provide access.

6.06 COST OF CONCESSION.

Concessionaire shall bear, at its sole expense, all costs of operating the ARM at the Concession Site and shall pay, in addition to the rent, all other costs connected with the use of the Concession Site and facilities, including, but not limited to, maintenance, insurance, any and all taxes, and all permits and licenses required by law. Concessionaire shall have the right, however, at the Concessionaire's sole cost and expense, to contest the legality of any tax, levy or assessment but shall not allow disputed amounts to remain unpaid during such contest. Failure to pay any taxes or assessments in a timely manner may result in termination of this Agreement.

6.07 MAINTENANCE AND DAMAGE TO CITY PROPERTY.

- A. Concessionaire shall, at its sole cost and expense, maintain the Concession Site and every part thereof in good order and repair and in good and safe condition; repair all damages caused by its employees, patrons, customers or its operation of said service; and maintain and repair all equipment on said Concession Site.
- B. Concessionaire understands and agrees that the Director, or designee, shall be the sole judge of the quality of maintenance of the Concession Site. If an ARM fails to operate or provide adequate service to the customers, upon written notice by the Director or designee to Concessionaire, Concessionaire shall be required to repair the ARM to working order. If said repair is not undertaken by Concessionaire within twenty-four (24) hours after receipt of written notice, the City will have the right to perform the necessary repair through an appropriate contractor, the cost of such repairs and maintenance shall be borne by Concessionaire.
- C. Concessionaire understands and agrees that, if Concessionaire, its agents, employees, or contractors causes any damage to Airport or City property, Concessionaire shall, at its own cost, repair all such damage without delay in a diligent and professional manner to the reasonable satisfaction of the Director or designee.

ARTICLE VII - TERM OF AGREEMENT

7.01 TERM AND OPTION TO RENEW.

- A. The term of this Agreement shall be one (1) year, commencing on the Effective Date, and terminating one year from the Effective Date (“Term”), unless terminated earlier in accordance with this Agreement or renewed pursuant to Paragraph 7.01 (B) below.
- B. Provided Concessionaire is not in default hereunder, Concessionaire has the option to renew the Agreement, for four (4) additional terms of one (1) year each, to commence at the end of the prior term of this Agreement. The renewal shall be upon the same terms and conditions as contained in this Agreement. Concessionaire’s option to renew this Agreement is expressly conditioned upon 1) Concessionaire delivering to the Airport a written notice, provided by certified mail, return receipt requested, at least ninety (90) days prior to the date fixed for termination of the then existing Agreement term; and 2) the Airport providing written acceptance of Concessionaire’s request for renewal of Agreement by the date fixed for the termination of the then existing Agreement term. Under no circumstances is the Airport required to agree to the renewal of the Agreement. Should both parties agree to a renewal of the Agreement for an additional one (1) year term, the MAG for the new term will be adjusted to equal the per square foot terminal rate as charged by the City as approved by City Council for its non-signatory agreements, as amended or revised from time to time. The adjustment to the MAG shall be done administratively, through written notice of Director when agreeing to renewal, and without the necessity of amending this Agreement.

7.02 NATIONAL EMERGENCY.

In the event the rights and privileges hereunder are suspended by reason of change in airport security regulations, war or other national emergency, the parties will negotiate in good faith a reasonable resolution of this Agreement under the circumstances.

**ARTICLE VIII – CONCESSION FEE, MINIMUM ANNUAL GUARANTEE
AND PERCENTAGE FEES**

8.01 CONCESSION FEE.

Concessionaire agrees to pay either \$61.70 per square foot for the Concession Site per annum (the “**Minimum Annual Guarantee**” or “**MAG**”) or pay the Gross Revenues Percentage (“**Percentage Rent**”), whichever is greater. The amount that Concessionaire is required to pay, is the “**Concession Fee**”).

8.02 MINIMUM ANNUAL GUARANTEE

- A. The parties agree that the Concession Site contains 25 square feet of space. Therefore, the MAG is \$1,542.50 per year (\$61.70 per sq. ft. x 25 sq. ft.).
- B. The MAG shall be paid in equal monthly installments of \$128.54.
- C. Concessionaire shall pay the MAG monthly installment amount of \$128.54 on or before the 1st day of each month, in advance, without invoice. Because the MAG monthly installment amount is due on or before the 1st day of each month, Concessionaire’s initial MAG monthly installment amount is due prior to Concessionaire installing its ARM. Any portion of a month of operation will be pro-rated.
- D. The balance of the Concession Fee, if any, will be due along with the report for the immediately preceding month on the 20th day of each month. Whether there is a balance due, is dependent on the calculation of Percentage Rent for the month.
- E. For the initial month in the Term of this Agreement, Concessionaire shall pay only the MAG monthly installment amount and no report shall be due for the immediately preceding month.

8.03 PERCENTAGE RENT.

- A. Percentage Rent is calculated as follows:
 - Twelve percent (12%) of Gross Revenue derived from the ARM on consumer electronic concepts.
 - Nine and one half percent (9.5%) of Gross Revenue derived from the ARM on products other than consumer electronic concepts.

- B. The term “**Gross Revenue**” whenever used herein, shall mean the following:
1. Gross Revenue is the total dollar amount derived or received by Concessionaire as the total price of merchandise and service as a result of its operation under this Agreement whether for cash or credit and whether collected or uncollectable.
 2. Concessionaire has the right to make credit sales, but solely bears the risk.
 3. Gross Revenue excludes retail sales taxes, excise taxes or related direct taxes upon the consumer which are collected by Concessionaire as such and paid to the taxing entity.
- C. On the 20th day of each month, Concessionaire will submit to the City a statement of Gross Revenue derived from its operations at the Airport based on the Concessionaire’s Gross Revenue for the previous month. (See Paragraph “E”, below.) Such statement will be certified by an officer of Concessionaire as being correct and true. The statement will include a calculation of the Percentage Rent due the City. Concessionaire will remit, at the same time, its balance of Concession Fee due to the City. For example, if the Percentage Rent is greater than the monthly MAG amount, Concessionaire shall submit the difference between the Percentage Rent and the MAG, so that City receives, in total, the Percentage Rent amount for the month. If the Percentage Rent is less than the monthly MAG amount, Concessionaire is not obligated to pay any amount in addition to the MAG amount for that month.
- D. The statements submitted must be submitted on forms which are approved by the City’s designated representative. Any late payments of rent shall bear interest at the highest rate allowed by law.
- E. In regards to the statement of Gross Revenue required pursuant to Paragraph “C”, above, Concessionaire shall submit to the City a report showing all transactions resulting from the operation of the ARM, the amount of the Concession Fee, the amount owed to the City (the greater of the Rental Fee or one-twelfth of the Concessionaire’s Minimum Annual Guarantee), and the amount Concession Fee remitted, from the operation of the ARM for the preceding calendar month. These reports shall be submitted on a form that is acceptable to the Director. The monthly report be submitted electronically, in Excel format or PDF format, to the following email address: ELPreports@elpasotexas.gov. Failure to comply with the reporting requirements as stated above will constitute an Event of Default under this Agreement by the Concessionaire.

8.04 ADMINISTRATIVE ADJUSTMENTS.

- A. If the Concession Site is expanded to include additional locations, the Minimum Annual Guarantee will be adjusted to include the additional square footage. The inclusion of additional locations and square footage to the Concession Site shall be done administratively, without the necessity of amending this Agreement, through written approval of the Director, wherein the adjusted square footage and Minimum Annual Guarantee shall be specified.

- B. The Director has the authority to administratively amend the type of products that Concessionaire is permitted to sell and dispense pursuant to Article II, above.

8.05 RECORDS OF CONCESSIONAIRE.

- A. For purposes of this Section 8.05, the term “**Contract Year**” means the twelve (12) month period during the term of the contract commencing on the Effective Date.
- B. With respect to business done by Concessionaire pursuant to this Agreement, Concessionaire shall keep true and accurate amounts, records, books, and data which shall show all sales made, and services performed for cash, credit, or otherwise, without regard to whether paid or not, and all transactions of Concessionaire.
- C. Concessionaire agrees to operate its business at the Airport in such a manner that a receipt, if applicable, shall be issued with each transaction, and to deliver these documents to the Airport within twenty (20) days and at no cost to the City after a request for the documents has been made by the Director. Concessionaire agrees to keep books and records, in accordance with generally accepted accounting practices, and such other records as the City may request. The receipts, if applicable, and all other books and records of Concessionaire, in paper form or in electronic form, as referenced in this Agreement, shall be available for inspection or audit by authorized City representatives at all reasonable times during business hours for a minimum of one (1) year after each Contract Year and a minimum of one (1) year after any holdover period, if any. If an audit is required, appropriate records will be maintained legally for a period of sixty (60) days after completion of the audit.
- D. Within ninety (90) days following the last day of each Contract Year of each Term of the Agreement, a statement showing Gross Revenues for the preceding Contract Year shall be submitted and certified from the Concessionaire’s records by an officer of the corporation (“Annual Statement”). The Annual Statement shall be signed and notarized by an officer of the corporation as an accurate report of the Concessionaire’s Gross Revenues for the preceding Contract Year. The Annual Statement is to be accompanied by the Concessionaire’s payment covering any deficiency between payment made during the preceding Contract Year and the payment due for the Contract Year as identified in the Annual Statement certified by the certified public accountant. If the Annual Statement indicates that the amounts due to the City is less than the payments made for the preceding year, then the City will reimburse to the Concessionaire the excess amount without interest.
- E. If, after the submission of the Concessionaire’s Annual Statement, the City has reasonable questions about the accuracy of the Annual Statement, the City shall have the right, at its sole option, to require Concessionaire to submit at Concessionaire's sole cost, a certified statement of Gross Revenues prepared by an independent certified public accountant acceptable to the City. “Independent” shall mean a certified public accountant who is not affiliated in fact or appearance in any manner with the Concessionaire, its parent company or any subsidiaries. Any failure of the City to request a certified statement of Gross Revenues by an independent certified public accountant in any Contract Year shall not operate to bar or destroy the right of

the City to request such a certified statement in any subsequent Contract Year. The submission of such certified statement of Gross Revenues by the Concessionaire shall not be construed to limit the City's right to request audits as set forth in this Agreement. The Concessionaire, at its own expense, shall supply all records in a type, style and form satisfactory to the Director of Aviation. The Concessionaire shall maintain monthly statements of Gross Revenues for a minimum of one (1) year at a place of business accessible to the City in El Paso, Texas. The Concessionaire shall maintain annual statements of Gross Revenues, as required hereunder, at its principal place of business, for a minimum of five (5) years, and shall forward same to the City during that time, if requested by the City. The Concessionaire shall maintain monthly statements, as required hereunder, for a minimum of one (1) year at a place of business accessible to the City. The Concessionaire shall also maintain annual statements, as required hereunder, for a minimum of five (5) years at a place of business accessible to the City.

8.06 AUDIT.

- A. For the purpose of determining accuracy of reporting Gross Revenues, the City may make a spot test audit and base its findings for the entire period upon such spot test; provided however, that such a spot test shall include at least twenty-five percent (25%) of the total time of the period being audited.
- B. Concessionaire further grants to the City or its designee the right, upon ten (10) days' written notice to Concessionaire, to examine, audit, or inspect books, records, and accounts of Concessionaire pertinent to the purpose of verifying the accuracy of the reports and statements furnished to the City, and for checking the amount of rental or other payments lawfully due the City under the terms of this Agreement. Upon receipt of the written notice, Concessionaire shall bring to a place in El Paso which has been selected by the City all books and records, together with all appropriate backup documentation, necessary for the City to effectively monitor the appropriateness of all rental and other fees paid or to-be-paid by Concessionaire under this Agreement. If, following any such audit, any element of rental or fees changes by more than five percent (5%), all costs of such audit, including counsel, accounting or expert fees, shall be paid by Concessionaire to the City within thirty (30) days of the City submitting a bill to Concessionaire. Otherwise, the cost of the audit will be borne by the City.
- C. Failure of the City to exercise its right to audit Concessionaire, as set forth herein, shall in no way be construed as a waiver of any right to payment by the City of any rental or fees due the City under the terms of this Agreement, and the City hereby expressly reserves its rights under common or statutory law, or otherwise, to enforce all terms of this Agreement, including any right to payment hereunder.

8.07 INTEREST.

Without waiving any other right of action available to the City, any installment of rent, fees, or other monies accruing under the provisions of this Agreement that are not paid by the due date, shall bear interest at the maximum rate allowed by law from the date when same was due by the terms hereof, until the same has been paid by Concessionaire.

8.08 PLACE OF PAYMENT.

All rent payments required herein shall be paid to the City at the following address:

Accounting Division
El Paso International Airport
P.O. Box 971278
El Paso, Texas 79997-1278

Payment via electronic funds transfer is encouraged provided that it is made through a system approved by the Director.

8.09 DEFAULT FOR FAILURE TO PAY RENT, FEES OR CHARGES.

Concessionaire's failure to pay any part of the rental, fees, or charges agreed upon hereunder within thirty (30) days after the due date set forth herein shall be considered an event of default. If Concessionaire is in default for failure to pay amounts due in a timely manner, the City shall have the right to proceed with a contractual lien pursuant to Paragraph 8.10, below, without further notice to Concessionaire or opportunity to cure.

8.10 CONTRACTUAL LIEN.

- A. It is expressly agreed that in the event of default for failure to pay rent or any other sum due from Concessionaire to City under the terms of this Agreement, City shall have the right to resume possession of the Concession Site and to remove Concessionaire's ARM, without being guilty of any manner of trespass or conversion and without prejudice to any other remedies, which might be used by the City.
- B. It is expressly agreed that in the event of default in the payment of rent or any other sum due from Concessionaire to City under the terms of this Agreement, City shall have a lien upon all goods, chattels, personal property or equipment, save and except delivery vehicles or rolling stock belonging to Concessionaire which are placed in, or become a part of, the Concession Site, as security for rent due and to become due for the remainder of the Agreement term, which lien shall not be in lieu of or in any way affect the statutory landlord's lien given by law, but shall be in addition to that lien, and Concessionaire grants to City a security interest in all of Concessionaire's personal property placed in or on the Concession Site for purposes of this contractual lien. Provided, however, that the terms of this provision shall have effect only to the extent they are not inconsistent with the rules and regulations of the Interstate Commerce Commission or its successor agency, and any other laws pertaining thereto and the Railroad Commission of the State of Texas. City agrees that it will not levy a landlord's lien against any delivery vehicle or rolling stock or any of the goods or personal property of third parties in the possession of Concessionaire, or any assignee of the Concessionaire. In the event City exercises the option to terminate the leasehold as provided herein, the City, after providing reasonable notice to Concessionaire of its intent to take possession and giving an opportunity to cure the default, may take possession of all of Concessionaire's property on the Premises

and sell it at public or private sale after giving Concessionaire reasonable notice of time and place of any public sale or of the time after that any private sale is to be made, for cash or credit, for such prices and terms as City deems best. The proceeds of the sale shall be applied first to the necessary proper expense of removing, storing and selling such property, then to the payment of any rent due or to become due under this Agreement, with the balance, if any, to be paid to Concessionaire.

ARTICLE IX - INSURANCE AND INDEMNIFICATION

9.01 LIABILITY INSURANCE.

- A. Concessionaire, and any contractor or subcontractor that performs any service on behalf of Concessionaire under the terms of this Agreement, shall obtain, provide proof of, and maintain for the Term of this Agreement, the following:
1. Commercial General Liability Insurance for the benefit of City and Concessionaire, as their respective interests may appear, including all the usual coverage known as: (a) Premises/operations liability, (b) Products/completed operations, and (c) Personal/advertising injury for minimum limits of Two Million Dollars (\$2,000,000.00) for bodily injury to one person for each occurrence, and One Million Dollars for property damage arising out of each occurrence, or in amounts equal to the maximum liability for damages for municipalities for claims arising under governmental functions, provided for under the Texas Tort Claims Act, whichever is greater.
 2. Commercial Automobile Liability with Minimum Limits of \$1,000,000 Bodily Injury/\$500,000 Property Damage Liability per occurrence.
 3. Statutory Workers' Compensation Insurance and Employers Liability Insurance with Minimum Limits of \$1,000,000 per occurrence.
- B. City, its officials, employees, agents and contractors shall be named as an Additional Insured on all insurance policies, either in the policy itself and shall be reflected on the certificate of insurance or through an endorsement attached to the policy and the policies must contain a "blanket waiver of subrogation" clause in favor of the City.
- C. Concessionaire and their subcontractors' insurance coverage shall be primary insurance with respect to the City, its officials, employees, agents and contractors. Any insurance or self-insurance maintained by the City, its officials, employees, agents and contractors shall be in excess of the Concessionaire's or Concessionaire's subcontractors' insurance and shall not contribute to the Concessionaire's or Concessionaire's subcontractor's insurance.
- D. All polices shall provide either in the policy itself and have reflected on the certificate of insurance or through an endorsement attached to the policy, that the insurance cannot be canceled or the amount of coverage changed without fifteen (15) calendar days prior written notice to the City or ten (10) calendar days prior written notice for non-payment of insurance

policy premiums. All such policies of insurance shall be written by insurance companies authorized to do business in the State of Texas and shall be written by companies approved by City.

- E. Prior to undertaking any work under this Agreement, the Concessionaire, at no expense to the City, shall furnish to the City a certificate of insurance with original endorsements affecting coverage for each of the insurance policies provided in this Agreement. Any deductibles or self-insured retentions shall be declared to, and approved by the City.

9.02 INDEMNIFICATION.

WITHOUT LIMITING THE GENERALITY OF ANY OTHER INDEMNITY CONTAINED IN THIS AGREEMENT, CONCESSIONAIRE AGREES TO INDEMNIFY AND HOLD CITY AND ITS OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS, LIABILITIES AND EXPENSES, INCLUDING INVESTIGATION EXPENSES AND REASONABLE ATTORNEY'S FEES FOR THE DEFENSE OF SUCH CLAIMS AND DEMANDS, ARISING OUT OF OR ATTRIBUTED DIRECTLY OR INDIRECTLY TO THE OPERATION, CONDUCT OR MANAGEMENT OF CONCESSIONAIRE'S ACTIVITIES ON THE CONCESSION SITE, ITS USE OF THE CONCESSION SITE, OR FROM ANY BREACH ON THE PART OF CONCESSIONAIRE OF ANY TERMS OF THIS AGREEMENT, OR FROM ANY ACT OR NEGLIGENCE OF CONCESSIONAIRE, ITS AGENTS, CONTRACTORS, EMPLOYEES, CONCESSIONAIRES, OR LICENSEES IN OR ABOUT THE PREMISES INCLUDING CLAIMS AND DAMAGES ARISING IN WHOLE, OR IN PART, FROM THE NEGLIGENCE OF CITY. IN CASE OF ANY ACTION OR PROCEEDING BROUGHT AGAINST CITY BY REASON OF ANY SUCH CLAIM, CONCESSIONAIRE, UPON RECEIPT OF WRITTEN NOTICE FROM CITY, AGREES TO DEFEND THE ACTION OR PROCEEDING BY COUNSEL ACCEPTABLE TO CITY. THE OBLIGATIONS OF CONCESSIONAIRE UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR SOONER TERMINATION OF THE AGREEMENT.

**ARTICLE X - TERMINATION OF AGREEMENT, CANCELLATION,
ASSIGNMENT AND TRANSFER**

10.01 TERMINATION.

- A. This Agreement shall terminate at the expiration of the Term, or sooner as provided in this Agreement, and Concessionaire shall thereafter have no further interest or right in the Concession Site.

10.02 CANCELLATION BY CITY.

- A. This Agreement shall be subject to cancellation by the City in the event Concessionaire:
 - I. Is in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of thirty (30) days from the date said payments are due.

2. Files a petition in bankruptcy or insolvency.
3. Makes an assignment of any interest in this Agreement for the benefit of creditors.
4. Is adjudged as bankrupt in involuntary bankruptcy proceedings.
5. Is made a party to a receivership proceeding in which a receiver or trustee is appointed for the property or affairs of the Concessionaire.
6. Abandons the Concession Site for ten (10) days.
7. Fails to perform or keep any term, covenant, or condition required of Concessionaire pursuant to this Agreement (except rental payments); and such failure continues for a period of twenty (20) calendar days after receipt of written notice from the City of said failure.
8. Violates any applicable laws, statutes or ordinances.

B. In any of the aforesaid events, the City may immediately cancel this Agreement and take immediate possession of the Concession Site and remove Concessionaire's effects forcibly, if necessary, without being deemed guilty of trespassing and Concessionaire shall cease all operation at the Airport immediately.

C. The City's failure to declare this Agreement terminated pursuant to this Paragraph 10.02 shall not operate to bar or destroy the right of City to cancel this Agreement for any subsequent violation of the terms of this Agreement.

10.03 ASSIGNMENT AND TRANSFER.

Concessionaire shall not transfer, or sublease its rights granted hereunder without the prior written approval of the City. No sub-concession agreements shall be permitted.

ARTICLE XI - REDELIVERY

11.01 REDELIVERY.

Concessionaire shall make no unlawful or offensive use of the Concession Site and will at the expiration of the Term or upon any sooner termination, without notice, quit and deliver up said Concession Site to the City peaceably, quietly and in as good order and condition, reasonable use and wear excepted, as the same now are or may hereafter be improved by Concessionaire or the City.

ARTICLE XII - GENERAL PROVISIONS

12.01 TIME IS OF THE ESSENCE.

Time is and shall be deemed of the essence in respect to the performance of each provision of this Agreement.

12.02 NOTICES.

All notices required to be given under this Agreement shall be given by certified or registered mail, return receipt requested, postage fully prepaid, or by overnight or express carrier with proof of delivery, addressed to the proper party at the following addresses:

CITY:	City Clerk City of El Paso P.O. Box 1890 El Paso, Texas 79950-1890
COPY TO:	El Paso International Airport Attn: Director of Aviation 6701 Convair Road El Paso, Texas 79925-1099
CONCESSIONAIRE:	24 Hour Flower, Inc. 3112 Stony Brook Dr. Ste. A Raleigh, NC 27604-3769

Any notice so given shall be deemed properly delivered, given, served, or received on the date shown for delivery or rejection on the return receipt. Any party may change the address to which notices shall thereafter be given upon five (5) days prior written notice to all other parties in the manner set forth in this Section.

12.03 ATTORNEY'S FEES.

If either party brings any action or proceedings to enforce, protect or establish any right or remedy under the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, as determined by a court of competent jurisdiction, in addition to any other relief awarded.

12.04 AGREEMENT MADE IN TEXAS.

The laws of the State of Texas shall govern the validity, interpretation, performance and enforcement of this Agreement. Venue shall be in the courts in El Paso County, Texas.

12.05 GENERAL CIVIL RIGHTS PROVISION.

Concessionaire agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Concessionaire transfers its obligation to another, the transferee is obligated in the same manner as the transferor. This provision obligates the Concessionaire for the period during

which the property is used or possessed by the Concessionaire and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

12.06 COMPLIANCE WITH FAA REQUIREMENTS AND NONDISCRIMINATION REQUIREMENTS.

Concessionaire shall comply with and shall cause its assignees, successors in interest, and any contractor, subcontractor, lower-tier subcontractor, or service provider of Concessionaire to comply with, to the extent required by applicable law, all provisions of **Exhibit C, Federal Aviation Administration Required Provisions**, as amended or interpreted by the FAA from time to time which are incorporated as if fully set forth herein.

12.07 AFFIRMATIVE ACTION.

Concessionaire assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, and any amendments thereto, and any other federal statutes or regulations applicable to the receipt of federal assistance from the Department of Transportation by local governments for Airport use, or otherwise applicable to persons leasing premises from the City of El Paso, to insure that no person shall, on the grounds of race, color, sex, age, disability or national origin be excluded from participating in or receiving the services or benefits of any program of activity covered by this Subpart. Concessionaire assures that it will require that its covered sub-organizations (subconcessionaires) provide assurances to City, as set forth herein, that they similarly will undertake affirmative action programs, and that they will require assurance from their sub-organizations (subconcessionaires) to the same effect.

12.08 FAA ORDER 1400.11.

Pursuant to Federal Aviation Administration Order 1400.11, effective August 27, 2013, and because the described premises are located at the El Paso International Airport which is subject to regulation by, among others, the U.S. Federal Aviation Administration, the parties specifically agree to the following (except as Concessionaire is mandated by security requirements imposed by Concessionaire's federal government customers):

- I. A. Concessionaire for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the property described in this License for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Concessionaire will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations set out in Federal Aviation Administration Order 1400.11, Appendix 4, as same may be amended from time to time (the "Acts and Regulations") such that no person on the grounds of race, color, or national origin, will be excluded

from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to the License, in the event of breach of any of the above nondiscrimination covenants, City will have the right to terminate the License and to enter or re-enter and repossess said premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix C]

2. A. Concessionaire for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Concessionaire will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.

B. With respect to the License, in the event of breach of any of the above nondiscrimination covenants, City will have the right to terminate the Agreement and to enter or re-enter and repossess said Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix D]

3. A. During the Term of this License, Concessionaire for itself, its successors in interest, and assigns, as a part of the consideration hereof, agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). Grantee shall take reasonable steps to ensure that LEP persons have meaningful access to its programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination because of sex in education programs or activities (20 U.S.C. 1681 et seq).

B. In the event of breach of any of the covenants in this section 3, City shall have the rights and remedies set forth in sections 1 and 2 above, in addition to all other rights and remedies available to it under applicable law. [FAA Order 1400.11, Appendix E]

12.09 CUMULATIVE RIGHTS AND REMEDIES.

All rights and remedies of City here enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by City of any remedy provided for herein or allowed by law shall not be to the exclusion of any other remedy.

12.10 INTERPRETATION.

A. City and Concessionaire agree that this License has been freely negotiated by both parties and that in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability

of this License or any of its terms or conclusion there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this License or any portion thereof.

B. Words of gender used in this Agreement shall be held and construed to include any other gender.

C. Words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

12.11 AGREEMENT MADE IN WRITING.

This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors in interest.

12.12 PARAGRAPH HEADINGS.

The captions of the various articles and sections of this Agreement are for convenience and reference only, and do not define, limit, augment or describe the scope, context or intent of this Agreement or any part or parts of this Agreement.

12.13 SEVERABILITY.

If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Agreement will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Agreement a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

12.14 SUCCESSORS AND ASSIGNS.

All of the terms, provisions, covenants and conditions of this Agreement shall inure to the benefit of and be binding upon City and Concessionaire and their successors, assigns, legal representatives, heirs, executors and administrators.

12.15 TAXES AND OTHER CHARGES.

Concessionaire shall pay any and all taxes and governmental charges of any kind whatsoever that may be lawfully assessed against Concessionaire or City, with respect to the Concession Site, any improvements, equipment, personal property or inventory thereon or Concessionaire's use and/or occupancy of the Concession Site, during the term of this Agreement including any extensions or option periods granted thereto. City is a tax-exempt governmental entity and shall not be responsible for any taxes or assessments arising from Concessionaire's use of the property or possession of the Concession Site. Concessionaire in good faith may contest any tax or governmental charge; provided

that Concessionaire may not permit such tax or governmental charge to remain unpaid during the period of such contest and any appeal therefrom.

12.16 WAIVER OF WARRANTY OF SUITABILITY.

CITY DISCLAIMS ANY WARRANTY OF SUITABILITY THAT MAY ARISE BY OPERATION OF LAW. EXCEPT AS OTHERWISE PROVIDED IN THIS LICENSE, CONCESSIONAIRE LICENSES THE CONCESSION SITE “AS-IS” AND CITY DOES NOT WARRANT THAT THERE ARE NO LATENT DEFECTS THAT ARE VITAL TO CONCESSIONAIRE'S USE OF THE CONCESSION SITE FOR THEIR INTENDED COMMERCIAL PURPOSE.

12.17 SURVIVAL OF CERTAIN PROVISIONS.

All provisions of this Agreement which expressly or impliedly contemplate or require performance after the expiration or termination of this Agreement hereunder shall survive such expiration or termination of this Agreement.

12.18 SUBORDINATION OF AGREEMENT.

All rights granted in this Agreement shall be subordinate to the rights in any deed from the United States to the City of El Paso. This License shall further be subordinate to the provisions of any existing or future agreements between City and the United States relative to the operation and maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Should the effect of such agreement with the United States Government be to substantially destroy the commercial value of the Concession Site, Concessionaire may cancel this Agreement in its entirety.

12.19 FORCE MAJEURE.

Neither party to this Agreement is responsible to the other party for non-performance or delay in performance of the terms and conditions herein due to acts of God, acts of government, wars, riots, strikes, accidents in transportation, fuel or materials shortages, or other causes beyond the control of the parties.

12.20 AUTHORIZATION TO ENTER AGREEMENT.

If Concessionaire signs this Agreement as a corporation, Concessionaire warrants to City that Concessionaire is a duly authorized and existing corporation, that Concessionaire is qualified to do business in the State of Texas, that Concessionaire has full right and authority to enter into this Agreement, and that each and every person signing on behalf of Concessionaire is authorized to do so. Upon City's request, Concessionaire will provide evidence satisfactory to City confirming these representations.

(Signatures begin on the following page)

CITY'S SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ____ day of _____, 2023.

CITY OF EL PASO:

Tomás González
City Manager

APPROVED AS TO FORM:



Leslie B. Jean-Pierre
Assistant City Attorney

APPROVED AS TO CONTENT:



Samuel Rodriguez, P.E.
Director of Aviation

(Signatures continue on the following page)

CONCESSIONAIRE'S SIGNATURE AND ACKNOWLEDGMENT

24 HOUR FLOWER, INC.

Signature: [Handwritten Signature]
Printed Name: LOREN WATKINS
Title: President

ACKNOWLEDGMENT

THE STATE OF North Carolina)
)
COUNTY OF Wake)

This instrument was acknowledged before me on this 21 day of April, 2023
by Loren K. Watkins, as _____ of
24 Hour Flower, Inc. (Concessionaire).

[Handwritten Signature]
Notary Public, State of _____

My Commission Expires:
11-2-2024



EXHIBIT A

PERMITTED PRODUCTS LIST

NOW YOU CAN MAKE SALES AROUND THE CLOCK



24-HOUR FLOWER



MODEL C-4A

The self-service C-4A Flower Center is a refrigerated cooler with four revolving flower carousels displaying up to 32 arrangements.

Height: 80"
Width: 73"
Depth: 32"

Optional Lighted Canopy
available in various colors

The self-service C-2 Flower Center is a refrigerated cooler with two revolving flower carousels displaying up to 16 arrangements.

Height: 80"
Width: 46"
Depth: 32"

(See reverse side for details)

LEASING AVAILABLE



MODEL C-2

Find out how to Increase Your Flower Sales Today!

CORPORATE HEADQUARTERS

P.O. Box 40997, Raleigh, North Carolina 27629-0997 • (919) 876-8118 • Toll Free (800) 628-6404



Price List for El Paso International Airport

24-Hour Flower shall offer fresh flower bouquets to be sold through the automated Flower Center.

\$20.00 Fresh Flower Bouquets: Large cellophane wrapped fresh flowers with hand-tied bows.

EXHIBIT B

CONCESSION SITE(S)

EXHIBIT C

FEDERAL AVIATION ADMINISTRATION REQUIRED PROVISIONS

A. General Civil Rights Clause.

1. In all its activities within the scope of its airport program, Concessionaire agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If Concessionaire transfers its obligation to another, the transferee is obligated in the same manner as Concessionaire.
2. The above provision obligates Concessionaire for the period during which the property is owned, used or possessed by Concessionaire and the Airport remains obligated to the Federal Aviation Administration.

B. Compliance with Nondiscrimination Provisions. During the performance of this Lease, Concessionaire, for itself, its assignees, and successors in interest (hereinafter collectively referred to as "Contractor") agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.
2. **Non-discrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Agreements, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined

by Lessor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to Lessor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, Lessor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as Lessor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

C. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this contract, Concessionaire, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
9. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. 74087 (2005));
12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

D. Transfer of Real Property Acquired or Improved Under the Airport Improvement Program.

1. Concessionaire for itself, its, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Concessionaire will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
2. In the event of breach of any of the above Nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

E. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program.

1. Concessionaire, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Concessionaire will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.
2. With respect to the Lease, in the event of breach of any of the above Non-discrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

F. Subcontracts. Concessionaire agrees that it shall insert in any subcontracts the clauses set forth in paragraphs (A) through (E) above and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Concessionaire shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (A) through (E).