

**STATE OF TEXAS**

**COUNTY OF BELL**

**RETAIL CONCESSION LEASE AGREEMENT**

This lease is made and entered into by and between the City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and Harris Originals of Killeen, TX, Inc. d.b.a. Harris Jewelry, hereinafter referred to as "Tenant".

**ARTICLE I**

**Description of Leased Premises**

The Airport, in consideration of the rents and covenants herein to be performed by the Tenant, does hereby lease and let unto Tenant the following described property, hereinafter referred to as "Leased Premises", located in the Ted C. Connell Terminal Building at the Killeen-Fort Hood Regional Airport, 8101 S. Clear Creek Rd, Killeen, Texas 76549:

A 10 foot by 14 foot space located on the 2<sup>nd</sup> floor corridor as depicted in Exhibit "A". The exact location will be approved by the Airport's Executive Director of Aviation and may be adjusted from time to time.

**ARTICLE II**

**Description of Concession Granted**

1. The Airport grants Tenant the right to engage in the activities of a jewelry and watch sales kiosk. Tenant may also sell stuffed bears in military uniform. This concession agreement does not allow the sale of drinks, food items, over-the-counter medicines, newspapers, books and magazines, maps, clothing, luggage, toilet articles, film, tobacco products or the use of vending or game machines for the sale of services, products, or entertainment without the prior written approval of the Airport's Executive Director of Aviation.
2. Tenant agrees and understands that the concession granted by this agreement is not an exclusive concession. The Airport shall have the right to deal with and perfect arrangements with any other individual, company, or corporation for engaging in like activity on the airport premises subject to the same conditions, prerequisites, and terms binding Tenant herein.

**ARTICLE III**  
**Obligations of the Airport**

1. The Airport shall maintain and repair the non-leased portion of the areas surrounding the Leased Premises.
2. The Airport shall provide adequate access to the Leased Premises so long as Airport, Transportation Security Administration, Federal Aviation Administration, U.S. Army and other pertinent regulations are not violated. This access includes the terminal ingress/egress routes during times when the terminal building is open to the public.
3. The Airport will keep the terminal building open to the public at least one hour before the first scheduled flight of the day until at least 30 minutes after the arrival of the last scheduled flight of the day.
4. Parking will be provided for Tenant's employees in an area designated by the Airport. Parking will be at no additional cost to the employee or the tenant while the employee is on business of the tenant as long as the employee has registered his/her vehicle with the Airport's parking lot management company and possesses the electronic access media issued and controlled by that company. This provision applies only to employees of the tenant whose duty assignment is at the Killeen-Fort Hood Regional Airport. Senior company officials and other employees who have occasional official duties at the airport may obtain a daily pass from the airport administration office to accommodate their requirements.
5. If the Leased Premises are destroyed, damaged, or otherwise made unavailable by any means which are not fully the fault of the Tenant due to fire, flood, explosion, and other acts of God, war, terrorist acts, riots, court orders, and the acts of superior governmental or military authority, to the extent that the Tenant will be unable to conduct any substantial portion/s of the business contemplated by this lease, either party may cancel this lease and the Tenant will stand charged only with the rent specified in ARTICLE VI up to the time of such damage, destruction, or other non-availability. If the repair of the damage can be reasonably accomplished by the Airport in less than ninety (90) days, the Airport shall make such repairs with the rental to be abated in proportion to the space usable to the Tenant during the repair period. All repair work shall be done in a good and workmanlike manner, which is in concert with the City of Killeen requirements.
6. The Airport shall provide electricity, heating and air conditioning in all leased areas of the terminal building. The Airport will provide general lighting over the leased premises and maintain said lighting. Light/sign fixtures used solely for premise enhancement/ advertisement shall be maintained by the Tenant.
7. Airport will provide basic janitorial services for the leased premises, but will not provide cleaning or maintenance of the kiosk.

8. After reasonable notice to Tenant (when practical), the Airport reserves the right to temporarily close the airport or any other facilities thereon for maintenance, improvements, or for the safety of the public only for the period of time reasonable necessary.

**ARTICLE IV**  
**Obligations of the Tenant**

1. Tenant agrees that it will not assign this lease or sublet the Leased Premises or any part thereof, without prior written consent of the Killeen City Manager.
2. Tenant agrees that it will exercise due diligence to maintain and keep its kiosk aesthetically and mechanically in good condition.
3. Tenant shall be responsible for disposal of its own trash accumulations by depositing it in the nearest exterior trash dumpster on a daily basis. Trash receptacles inside the terminal building are for customer use only. Tenant also agrees to participate in the City of Killeen's recycling program by depositing all recyclable products in the appropriate outside recycling container in lieu of the trash dumpster.
4. Tenant agrees that it shall not engage in any business or activity within the confines of the Killeen-Fort Hood Regional Airport other than those permitted herein or such other activities as may be expressly authorized in writing by the Airport.
5. Tenant shall operate the Leased Premises without cost to the City of Killeen.
6. Tenant agrees to keep clean, maintain and repair all Tenant owned furnishings utilized in the public areas to include cabinets, display cases, signage, etc.
7. Tenant agrees that its employees, while performing the duties associated with the concession granted in ARTICLE II, will be neatly groomed and attired, and will conduct themselves in a courteous, professional, and businesslike manner while providing service to the public.
8. Tenant shall provide and maintain an adequate staff of employees with skills, licenses, and certificates appropriate to the activities conducted.
9. Upon vacating, Tenant shall leave the Leased Premises in as good condition and substantially as they were before removal; ordinary wear and tear excepted. Tenant shall make no structural changes, additions or improvements to the Leased Premises without prior written consent of the Executive Director of Aviation, and appropriate building permits obtained from the City of Killeen Building and Developments Services Department. Any such structural changes / improvements become property of the Airport, unless otherwise agreed upon in writing before such work begins. The foregoing notwithstanding, Tenant shall not be liable for damage caused by other tenants and other users, or their employees, representatives or

invitees, and shall be liable only for its proportionate share of wear and tear in the leased premises.

10. Tenant's employees shall observe and comply with all posted restrictions on parking or standing vehicles, speed limits, and traffic rules on the airport properties.
11. Tenant shall, not later than ten (10) days after the end of each month, provide a report reflecting the following for the completed month: (a) a Gross Receipts statement reporting the amount of total gross revenue received; (b) a listing of the amount of excluded receipts in accordance with Article VI, paragraph 3.b; and (c) amounts previously paid to the Airport or included with the report for that month. Such report will be signed by the Tenant's designated manager or other representative designated by the Tenant.
12. Tenant, or its designated station manager, is responsible to notify the manager of the Airport's parking lot management company with the names of its employees who will be working at the airport to facilitate the registration of employee vehicles and issuance of applicable parking lot access/exit media.
13. Tenant may advertise only within the leased premises of the terminal building. Installation and operation of appropriate identifying signs will be allowed within the leased premises, subject to the approval of the Executive Director of Aviation, or his designated representative. The Tenant may coordinate with the Airport's advertisement concession, as appropriate, for advertising/promotional material in other areas of the building.
14. As a minimum, Tenant shall provide the service described in Article II from at least 8:00 AM until 5:00 PM each day during the term of this lease agreement. The Director of Aviation may approve exceptions to these minimum operation hours for Federal holidays or other reasonable occasions. Tenant may remain open to the public for the duration of the time the terminal building is open to the public (Art. III, Par. 3.) and may extend its operating hours to meet public demand. Normal hours of operation will be posted on the kiosk.
15. Tenant is responsible to obtain any permits that may be required for its operation and will meet all code and regulatory requirements that apply to its operation in the Leased Premises.
16. The Kiosk to be used for this concession must be complementary in style and color to the existing décor of the terminal building. Prior to the placement/installation of the kiosk, Tenant must have first submitted specifications for the kiosk to, and have received written approval from the Airport's Executive Director of Aviation.

**ARTICLE V**  
**Terms of Agreement**

1. The Airport hereby grants unto the said Tenant for a period of three months, beginning October 1, 2015 and ending December 31, 2015, the right to operate retail jewelry sales kiosk, as previously described, at the Killeen-Fort Hood Regional Airport.
2. If Tenant is not in default of the terms hereunder, Tenant will have the option to extend this agreement on a month to month basis under the same terms for up to nine (9) additional months, providing it gives notice of its option at least fifteen (15) days prior to the termination date hereof.
3. At the expiration of the term of this lease, the Tenant will immediately vacate the leased premises unless the Tenant has provided notice of its option to extend as provided for in Section 2 above.
4. As consideration for this lease, Tenant promises to pay to the Airport, at the office of the Executive Director of Aviation in Killeen, Bell County, Texas, the Basic Rent and Fees as well as sundry charges described in ARTICLE VI and Exhibit "B". The basic rents and custodial fees prescribed in ARTICLE VI, Par. 1 and Par. 2, are payable without demand in monthly installments in advance on or before first day of each and every month during the term of this lease. Other sundry charges and fees will be due and payable as prescribed in ARTICLE VI, Par 3, 4, 5, and Exhibit "B".

**ARTICLE VI**  
**Rentals, Fees, and Accounting Records**

1. Tenant shall pay to the Airport, \$350.00 per month as described in Exhibit "B" as Basic Rent. Basic Rent is payable without demand in monthly installments in advance on or before the first day of each and every month during the term of this lease.
2. Tenant shall pay the Airport a flat rate of \$50.00 per month for custodial service within the leased premises. This fee shall be paid without demand in monthly installments in advance on or before the first day of each and every month during the term of this lease.
3. Tenant shall pay a retail concession fee to the Airport of fifteen percent (15%) of its monthly gross receipts collected in excess of \$3,125.00 up to \$30,000 plus five percent (5%) of monthly gross receipts collected in excess of \$30,000.00. This payment shall be made no later than the first day of the second month following the month of its collection. (Example: Tenant has previously paid \$350.00 for January rent and a \$50.00 custodial fee no later than January 1 per Paragraph 1 and 2 above. Tenant collects \$3,500.00 in gross receipts from its customers during the

month of January. Tenant must pay Airport an additional \$56.25 no later than March 1. ( $\$3,500.00 - \$3,125.00 = \$375.00$  15% of  $\$375.00 = \$56.25$ . Total Basic Rent and fees for January equal \$456.25, \$400.00 paid in January and \$56.25 paid in March.) )

- a. "Gross Receipts" shall include all receipts, whether by coin or currency, on account, by check or credit card, collected or uncollected, whether conducted on or off airport, derived by the Tenant as a result of its operation of the concession rights herein granted, without exclusion, except those expressly permitted in paragraph 3.b. below. Gross receipts shall include the total amount actually charged to the customer by the Tenant for, or in connection with, products sold, or delivered from the Tenant's Leased Premises at the Killeen-Fort Hood Regional Airport, regardless of where or by whom the payment is made.
- b. Gross Receipts shall exclude receipts from the following:
  - (1) Federal, State, City or municipal sales taxes now in effect or hereinafter levied which are separately stated and collected from customers of the Tenant.
  - (2) The value of any goods exchanged or transferred from or to other business locations of the Tenant, where such exchanges or transfers are not made for the purpose of avoiding a sale or service fee by the Tenant that would otherwise be made from or at the Killeen-Fort Hood Regional Airport.
  - (3) Refunds to customers. Receipts with respect to any refunds made to Tenant's customers, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit, providing the refund and reason therefore is documented along with the name and address of the person receiving the refund.
  - (4) Documented discounts and rebates to customers, to include discount cards and coupons.
4. Tenant shall pay the sundry charges and other variable fees based upon activity to the Airport as described in Exhibit "B", no later than thirty (30) days after the invoice for that period is provided to the Tenant. For purposes of this provision, Tenant may designate either its local representative or a corporate office to receive the official copy of this invoice.
5. A late fee of five percent (5%) of the total amount due will be assessed to the Tenant if payments prescribed in Paragraphs 1, 2, 3, or 4 above are not received in the administrative offices of the Director of Aviation by the dates prescribed therein. An additional five percent (5%) of the outstanding amount will be assessed each

month that all or a portion of the Tenant's obligations remain unpaid. Obligations unpaid more than sixty days after the prescribed due dates will be cause of considering the payment(s) in default of the lease agreement.

6. If Tenant defaults in the payment of rent, fees, or any part thereof, and such default shall continue for thirty (30) days after written notice by the City of Killeen to the Tenant to pay, the Airport shall, without further notice, have the right to re-enter the Leased Premises to remove the Tenant and all persons holding over it and to terminate this lease and repossess the premises. Such repossession shall not constitute a waiver by the Airport for any other rights it may have to enforce collection of rents for the balance of the term or to recover damages from the Tenant for default in payment of rents.
8. Tenant shall maintain a performance bond, cash deposit, or other financial assurance acceptable to the Airport in the amount of \$400.00 for the term of this retail concession lease agreement. Tenant shall forfeit said assurance if it fails to perform all the terms and conditions of this agreement.

## **ARTICLE VII**

### **Rights of Inspection**

1. The Airport reserves the right to inspect the Leased Premises, equipment, and services at any reasonable time and with reasonable notice for the purpose of assuring compliance with this lease, public safety or welfare, or the Airport's general rights and duties as lessor. The Airport also reserves the right to inspect and audit any records necessary to verify the correct reporting of data used to compute fees described in Exhibit "B".
2. Upon at least fifteen (15) days written notice, Airport auditors or other authorized representatives shall, at any time during the term of this lease agreement, within one year after the end of this agreement, or within one years of any extension to it, have access to, and the right to audit, examine, or reproduce any and all records of the Tenant related to the most recent twelve (12) months performance under this lease agreement. Tenant shall retain all records associated with transactions at the Killeen-Fort Hood Regional Airport within the Leased Premises or at another a mutually acceptable location in Killeen, Texas for the longer of the most recent twelve (12) months or until completion of any pending audit or litigation action between the parties.
3. If the audit reveals that additional fees are due the Airport, Tenant shall, upon written notice by the Airport pay such additional fees, plus interest and penalties, within ten (10) days of written notice. Interest will be calculated at one and one-half percent (1 ½%) per month for each month after the day the additional amount should have originally been paid. If the audit reveals an underpayment of more than five percent (5%), the penalty will be twenty percent (20%) of the total of the additional fees due (not including interest). If the audit reveals that the Tenant has

overpaid the fees due the Airport, such overpayment shall be credited to the Tenant's account, or refunded if the term of the lease agreement has expired and all other obligations by the Tenant have been satisfied. If the audit reveals an underpayment of more than five percent (5%), the cost of the audit shall be borne by the Tenant.

4. In addition to the interest and penalty payments as stated in paragraph 3 above, any deliberate attempts to misrepresent gross receipt amounts, attempts to divert airport earned revenue to an off-airport site will be cause for default of the lease agreement.

## **ARTICLE VIII**

### **Non-Discrimination Covenants**

1. The Tenant for itself, its personal and legal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agrees as a covenant running with the land that:
  - a. No persons on the grounds of race, color, religion, sex, age, disability, or national origin shall be unlawfully excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities and the privileges provided herein.
  - b. That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, age, disability, or national origin shall be unlawfully excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
  - c. That the Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Department of Transportation, Subtitle A, Office of the Secretary, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.
2. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, disability, or sex be unlawfully excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be unlawfully excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. The Tenant assures that it will require that its covered suborganizations provide assurances to the Airport that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required, by 14 CFR Part 152, Subpart E, to the same effect.

3. That in the event of breach of any of the preceding nondiscrimination covenants, the Airport shall have the right to terminate this lease and the privileges herein, and hold the same as if said lease had never been made or issued.
4. Tenant in the conduct of its authorized business activities on said Leased Premises and on said Airport shall furnish good, prompt, and efficient service adequate to meet the demands for its services at the airport and shall furnish such services on a fair, equal, and non-discriminatory price for each service.
5. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Tenant agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, purchase or lease agreement, or other agreement covered by CFR Part 23.
6. Tenant agrees to include the statement in Paragraph 5 above in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those business to similarly include the statements in further agreements.

**ARTICLE IX**  
**Indemnification and Insurance**

1. Without limiting Tenant's obligation to indemnify the Airport, Tenant shall provide, pay for, and maintain in full force at all times during the term of the agreement insurance coverage from an insurance carrier admitted to do business in the State of Texas that has at least an "A" rating with AM Best Company in the types and amounts as listed below:

| TYPE                          | MINIMUM AMOUNTS |
|-------------------------------|-----------------|
| WORKERS COMPENSATION          | Statutory       |
| COMMERICAL GENERAL LIABILITY  |                 |
| Each Occurrence               | \$1,000,000     |
| Damage to rented premises     | \$ 300,000      |
| Personal & Advertising Injury | \$1,000,000     |
| General Aggregate             | \$1,000,000     |
| Products-Comp/Op Agg          | \$1,000,000     |

The "City of Killeen" shall be named as additional insured and shall be furnished with Certificate of Insurance coverage in the above minimum amounts with the signed lease and at any time during the lease period that the Tenant may change or extend coverage. Current period proof of coverage must be on file with the Airport at all times.

The Airport and the Tenant shall be liable for their own acts of negligence, and each agrees to indemnify the other to the fullest extent allowed by law for any losses, damages, costs or expenses, including attorney fees and litigation expenses, paid or sustained by reason of the sole negligence of the indemnifying party.

2. The Tenant shall hold the Executive Director of Aviation and all other Department of Aviation personnel, and the officers, elected officials and employees of the city harmless from and against all suits, claims, demands, damages, actions, and/or causes of action of any kind or nature in any way arising out of, or resulting from its tenancy and activities, and shall pay all expenses in defending any such claims against the City. Similarly, the City shall hold Tenant harmless from and against all suits, claims, demands, damages, actions, and/or causes of action of any kind or nature in any way arising out of the City's activities under this lease, and shall pay all expenses in defending any such claims against the Tenant. The indemnification provided for in this agreement shall not apply to the extent of the indemnified party's gross negligence or willful misconduct.
3. The Tenant shall be solely liable and responsible for civil penalties imposed upon the Airport as a result of negligent acts and/or violations of Federal, State or Local Regulations or laws by the Tenant, especially when the Airport has made good faith efforts to establish rules and procedures for compliance with such regulations. Similarly, the City shall be solely liable and responsible for civil penalties imposed upon the Tenant as a result of negligent acts and/or violations of Federal, State or Local Regulations or laws by the City which do not result from any violation of said regulations by the Tenant.

**ARTICLE X**  
**Events of Default and Remedies Upon Default**

1. "Event of Default" means the occurrence of any one or more of the following events as they may relate to such lease: (a) Tenant fails to make any Rent payment (or any other payment) as it becomes due in accordance with the terms of this agreement, and any such failure continues for thirty (30) days after written notice by the Airport to the Tenant to pay; (b) Lessee fails to perform or observe any of its obligations under this agreement, and such failure is not cured within thirty (30) days after receipt of written notice by Airport; (c) any statement, representation or warranty made by Tenant in the agreement or in any writing delivered by Tenant pursuant thereto or in connection therewith proves at any time to be false, misleading or erroneous in any material respect as of the time when made; (d) Tenant applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Tenant or of all or a substantial part of its assets, or a petition for relief is filed by Tenant under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter.

2. If any Event of Default occurs, then Airport may, at its option, exercise any one or more of the following remedies:
  - (a) Airport may terminate, cancel or rescind this agreement;
  - (b) Airport may exercise any other right, remedy or privilege which may be available to Airport under applicable law or, by appropriate court action at law or in equity, Airport may enforce any of Tenant's obligations under this agreement;
  - (c) Airport may require Tenant to pay (and Tenant agrees that it shall pay) all out-of-pocket costs and expenses incurred by Airport as a result (directly or indirectly) of the Event of Default and/or of Tenant's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, repair, reconditioning or disposition of the leased premises and any equipment associated with such agreement;
  - (d) Airport may re-enter the Leased Premises to remove the Tenant and all persons holding over it and to terminate this lease and repossess the premises. Such repossession shall not constitute a waiver by the Airport for any other rights it may have to enforce collection of rents for the balance of the term or to recover damages from the Tenant for default in payment of rents.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Airport. Airport's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Airport to exercise any remedy under any agreement shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

## **ARTICLE XI**

### **General Provisions**

1. Neither the failure of the Airport to strictly enforce all of the terms of this lease nor the acceptance of rent by the Airport after any breach by the Tenant nor any delay on the part of the City to strictly enforce the provisions hereof shall operate or be deemed a waiver of any rights or remedies accruing to the Airport by reasons of any subsequent breach. In any legal proceedings under this lease, the successful party shall be reimbursed by the other party for costs, expenses and reasonable attorney's fees, which shall be incurred in such proceedings.
2. Notices to the Airport shall be sufficient if sent by registered mail, postage paid, addressed to the Director of Aviation, Killeen-Fort Hood Regional Airport, 8101 S. Clear Creek Rd, Box C, Killeen, Texas 76549, and notices to the Tenant shall be

sufficient if sent by registered mail, postage paid, addressed to Harris Originals Corporate Headquarters, 800 Prime Place, Hauppauge, NY 11788. The parties may designate other addresses from time to time in writing.

3. This lease is made upon the express condition that if Tenant fails to keep and perform any of the covenants or agreements contained in this indenture, then this lease shall become void at the option of the City provided, the City shall first give the Tenant at least thirty (30) days written notice of intention to forfeit this lease, and shall set forth therein the specific breach of lease and of City of Killeen's intention to re-enter the Leased Premises and declare this lease forfeited, if such breach be continued. Such notice shall be served in the manner heretofore provided and after the expiration of said thirty (30) days notice this lease shall be void, provided the Tenant is then in default and the City shall then be entitled to the possession of the Leased Premises.
4. In the event of the appointment of a Trustee due to a voluntary or involuntary bankruptcy on the part of Tenant, or the appointment of a receiver for the Tenant, or a voluntary assignment for creditors by the Tenant, or if this lease shall, by operation of law or otherwise, devolve upon or pass to a person or corporation other than the Tenant, then in no case shall the Leased Premises be used for any purpose other than those contained in Article II, herein. However, Lessor retains the right to consider such action to be a default under Article X, Par. 1.
5. The Airport reserves the right to further develop or improve the airport as it sees fit, regardless of the desires or views of Tenant and without interference or hindrance by Tenant; however, all developments and improvements of the airport will be coordinated with Tenant.
6. This lease agreement shall be subordinate to the current or future reasonable airport rules, regulations and standards, and City Ordinances, as well as all applicable State and Federal regulations and laws. It is herein agreed between the Airport and the Tenant that the Airport Rules and Regulations now in effect and hereafter adopted or amended by the City of Killeen shall not be altered or impaired in any respect by this lease agreement, but said rules and regulations shall remain in effect and be applicable to the Tenant during the term of this lease.

It is expressly understood and agreed that this lease is subject to and subordinate to and controlled by provisions, stipulations, covenants, and agreements contained in those certain contracts, agreements, resolutions, and actions of the City of Killeen, Texas, constituting agreements between the City and the United States of America and its agents including, but not limited to, the United States Army, the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA), and all regulations now and hereafter imposed upon the City and that the Airport shall not be liable to Tenant on account of any of the foregoing matters and all of such contracts, agreements, resolutions, laws, and regulations are incorporated herein by reference, and if any provision of this lease is determined to be at variance with same, such provision is unilaterally reformable at the Airport's option.

7. The Tenant, its successors, and assigns will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. This includes such items as electrical or electronic equipment, creation of smoke or dust, or glaring or misleading lights.
8. Airport warrants and represents that it has the right to Lease the Premises, and covenants and agrees that while performing its obligations hereunder, Tenant shall enjoy, and Airport will defend and uphold its right to quiet and peaceful possession of the Premises, and all rights and privileges granted herein.
9. This agreement is governed by the laws of the State of Texas, and venue shall be in Bell County.
10. In addition to any rights of termination provided elsewhere, Tenant shall have the right to terminate this Retail Concession Lease Agreement between the sixth (6<sup>th</sup>) and ninth (9<sup>th</sup>) month of the initial term of the agreement upon the giving of at least forty five (45) days advanced written notice to the Airport. Tenant will forfeit the financial assurance provided for in Article VI, Par. 8, if it terminates according to this provision.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this \_\_\_\_ day of \_\_\_\_\_, 2015.

ATTEST:

CITY OF KILLEEN:

\_\_\_\_\_  
 Dianna Barker  
 City Secretary

\_\_\_\_\_  
 Glenn Morrison  
 City Manager

ATTEST:

HARRIS ORIGINALS OF  
 KILLEEN, TX, INC.  
 d/b/a Harris Jewelry

\_\_\_\_\_  
 Mitch Altman  
 Director of Operations

\_\_\_\_\_  
 John Zimmermann  
 President and CEO



**City of Killeen  
and  
Harris Originals of Killeen, TX, Inc. d.b.a. Harris Jewelry**

**Rents and Fees Schedule**

**BASIC RENT and FEES**

|                                |                                    |                                      |
|--------------------------------|------------------------------------|--------------------------------------|
| Basic Rent                     | 140 sq ft                          | <b>\$350.00 per month</b>            |
| Retail Concession              |                                    |                                      |
| Monthly Gross Receipts of:     |                                    |                                      |
| Less than \$3,125.00           |                                    | None                                 |
| Over \$3,125.00 to \$30,000.00 |                                    | 15% of gross revenue                 |
| Over \$30,000                  |                                    | 5% of gross revenue                  |
| Custodial Service              |                                    | <b>\$50.00 per month (flat rate)</b> |
|                                | <b>TOTAL MINIMUM RENT AND FEES</b> | <b>\$400.00 per month</b>            |

**SUNDRY CHARGES**

|                         |  |                                    |
|-------------------------|--|------------------------------------|
| Telephone Service       |  |                                    |
| Local Service           |  | \$23.50 per line per month *       |
| Voice mail              |  | \$ 4.25 per line per month         |
| Phone rental            |  | \$ 6.00 per phone per month        |
| Maintenance fee         |  | \$15.50 per line per month         |
| Internet access via T-1 |  | \$64.00 per connection per month * |

\* Plus applicable federal / state taxes and surcharges

**EXHIBIT "B"**