

**CERTIFICATE FOR ORDINANCE**

I, the undersigned City Clerk of the CITY OF SAN ANTONIO, TEXAS (the "*City*"), hereby certify as follows:

1. The City Council of the City (the "*City Council*") convened in Regular Meeting on June 18, 2015 at the designated meeting place (the "*Meeting*"), and the roll was called of the duly constituted officers and members of the City Council, to wit:

Ivy R. Taylor, Mayor  
Roberto C. Treviño, Councilmember, District 1  
Alan E. Warrick, II, Councilmember, District 2  
Rebecca J. Viagran, Councilmember, District 3  
Rey Saldaña, Councilmember, District 4  
Shirley Gonzales, Councilmember, District 5

Ray Lopez, Councilmember, District 6  
Cris Medina, Councilmember, District 7  
Ron Nirenberg, Councilmember, District 8  
Joe Krier, Councilmember, District 9  
Mike Gallagher, Councilmember District 10

all of the officers and members of the City Council were present, except the following absentees: VIAGRAN. Whereupon, among other business, the following was transacted at the Meeting: a written

**ORDINANCE NO. 2015-06-18-0546**

**AN ORDINANCE AUTHORIZING A STANDARD LEASE AGREEMENT WITH THE RENTAL CAR FIRMS TO COMMENCE ON THE DATE THE LEASED PREMISES ARE TURNED OVER TO THE RENTAL CAR FIRMS FOR CONSTRUCTION OF TENANT IMPROVEMENTS AND ESTABLISH THAT THE CUSTOMER FACILITY CHARGE WILL PAY ALL DEBT SERVICE RELATED TO THE PROJECT AND ENSURE ALL BOND REQUIREMENTS ARE MET**

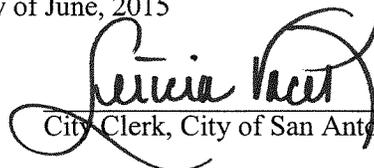
(the "*Ordinance*") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be passed on first reading and, after due discussion, said motion carrying with it the adoption of the Ordinance, prevailed and carried by the following vote:

AYES: 10 NOES: 0 ABSTENTIONS: 0

2. A true, full and correct copy of the Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Ordinance has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of said officers and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 18<sup>th</sup> day of June, 2015



  
\_\_\_\_\_  
City Clerk, City of San Antonio, Texas

AN ORDINANCE 2015 - 06 - 18 - 0546

**AUTHORIZING A STANDARD LEASE AGREEMENT WITH RENTAL CAR OPERATORS FOR LEASE SPACE WITHIN THE CONSOLIDATED RENTAL CAR FACILITY AT SAN ANTONIO INTERNATIONAL AIRPORT.**

\* \* \* \* \*

**WHEREAS**, in May 2014, the City issued a Request For Interest (RFI) to determine which rental car operators were interested in participating in the Consolidated Rental Car Facility to be constructed by the City at San Antonio International Airport (“CONRAC”); and

**WHEREAS**, Aviation staff has negotiated a Standard Lease Agreement with Avis Budget Car Rental, LLC, The Hertz Corporation, EAN Holdings, LLC (operating as Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental), Satrac, Inc. dba Budget Rent A Car, Advantage OPCO, LLC, E-Z Rent A Car, Inc., Fox Rent A Car, and Sixt Rent A Car, LLC (“Rental Car Operators”); and

**WHEREAS**, the term of the Standard Lease Agreement is for 20 years, and commences on the date the CONRAC premises are turned over to the participating rental car operators for construction of tenant improvements, with ground rent to be \$1.00 per square foot, which is expected to generate \$361,078.00 annually; and

**WHEREAS**, the Standard Lease Agreement also requires the Rental Car Operators to collect a Customer Facility Charge (CFC) and to remit CFC revenue to the City to pay bond debt service for the CONRAC and to ensure all bond requirements are met; and

**WHEREAS**, Aviation staff recommends that the City Council authorize Standard Lease Agreements with each of the above-named Rental Car Operators; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The terms and conditions of Standard Lease Agreements with Avis Budget Car Rental, LLC, The Hertz Corporation, EAN Holdings, LLC, Satrac, Inc. dba Budget Rent A Car, Advantage OPCO, LLC, E-Z Rent A Car, Inc., Fox Rent A Car, and Sixt Rent A Car, LLC, are approved. The City Manager or her designee is authorized to execute the Standard Lease Agreement with these Rental Car Operators, a copy of which is in substantially final form and set out in **Attachment 1**.

**SECTION 2.** Funds generated by this Ordinance will be deposited into Fund 51001000, Internal Order 233000000008 and General Ledger 4409040.

**SECTION 3.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers,

NHR/KRH  
6/18/15  
Item No. 25C

SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

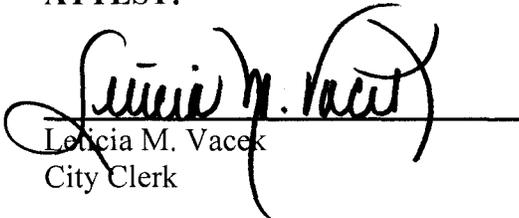
**SECTION 4.** This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

**PASSED and APPROVED** this 18<sup>th</sup> day of June, 2015.

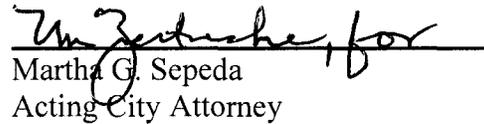


**M A Y O R**  
Ivy R. Taylor

**ATTEST:**

  
Leticia M. Vacek  
City Clerk

**APPROVED AS TO FORM:**

  
Martha G. Sepeda  
Acting City Attorney

<b>Agenda Item:</b>	25C ( in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25A, 25B, 25C, 25D, 25E, 25F, 25G, 25H, 26, 28, 29, 30, 31, 32, 33, 34, 35A, 35B, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64A, 64B, 65A, 65B, 66A, 66B, 66C, 67A, 67B, 67C, 68A, 68B, 68C, 69A, 69B, 69C, 69D, 70A, 70B, 70C, 70D, 70E )						
<b>Date:</b>	06/18/2015						
<b>Time:</b>	10:00:14 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance authorizing a standard lease agreement with the rental car firms to commence on the date the leased premises are turned over to the rental car firms for construction of tenant improvements and establish that the Customer Facility Charge will pay all debt service related to the project and ensure all bond requirements are met.						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				
Alan Warrick	District 2		x				x
Rebecca Viagran	District 3	x					
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

# **Attachment 1**

CONSOLIDATED  
RENTAL CAR FACILITY  
LEASE AGREEMENT

by and between

THE CITY OF SAN ANTONIO, TEXAS

and

\_\_\_\_\_

DATE OF EXECUTION:

\_\_\_\_\_

EFFECTIVE DATE:

\_\_\_\_\_

DATE OF TERMINATION:

\_\_\_\_\_

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**CONSOLIDATED RENTAL CAR FACILITY LEASE AGREEMENT**

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BEXAR

THAT, this CONSOLIDATED RENTAL CAR FACILITY LEASE AGREEMENT (“Lease Agreement”) is made and entered into on the date of countersignature by the City (“Effective Date”) by and between the City of San Antonio, Texas, a municipal corporation and home-rule municipality (hereinafter defined and referred to as “City”), by and through its City Manager pursuant to Ordinance \_\_\_\_\_ passed and approved on \_\_\_\_\_ and \_\_\_\_\_, a [type of entity] authorized to conduct business in the State of Texas (hereinafter referred to as “Operator”).

WITNESSETH:

WHEREAS, the City, Operator, and On-Airport Rental Car Operators serving San Antonio International Airport (“Airport”) desire to enter into similar Lease Agreements, for the purpose of planning, developing, financing, constructing and operating a Consolidated Rental Car Facility (“CONRAC”) to serve the traveling public and the rental car industry; and

WHEREAS, the City intends to finance the design and construction of the Project as defined herein and related improvements through the issuance of bonds secured by revenues from the collection of Customer Facility Charges (“CFCs”); and

WHEREAS, On-Airport Rental Car Operators are required to execute non-exclusive Concession Agreements with the City; and

WHEREAS, Off-Airport Rental Car Permittees shall not be allowed to operate buses or any other mode of transportation to and from the Airport terminals, but shall be required to use the CONRAC for pick up and drop off of all its customers;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the Parties hereby agree as follows:

## ARTICLE 1 DEFINITIONS

The capitalized terms used in this Lease Agreement shall for all purposes have the meanings specified in this **Article 1**, unless a different definition is given such term in the Bond Documents or the context clearly requires otherwise. Other terms may be defined elsewhere in this Lease Agreement, the Bond Documents or the Concession Agreement. In case of conflicting language in the definitions, priority of meaning for the definition shall be in the following order: first, Bond Documents, second, the Lease Agreement, and lastly, the Concession Agreement. The City will conform the Lease Agreement to the terms and condition of the Bond Documents.

**“Administrative Costs Fund”** means the fund the fund of that name established pursuant to **Section 5.10** of the Indenture of Trust.

**“Affiliate”** means any Person, directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

**“Airport”** means the San Antonio International Airport, as depicted in the attached **Exhibit A**.

**“Airport Concession Disadvantaged Business Enterprise” (“ACDBE”)** is defined in the Concession Agreement.

**“Airport Customer”** means:

- (i) any person who enters into a motor vehicle rental agreement with Operator or takes delivery of a rental car from Operator at the CONRAC; or
- (ii) any person who enters into a motor vehicle rental agreement or takes delivery of a rental car at another Operator location (other than the CONRAC), that is located within a three (3) mile distance from the Airport boundary line as depicted on **Exhibit 2** of the Concession Agreement but excluding any persons that meet either of the following criteria:
  - a. any Persons who have a valid Texas Driver’s License with an address in Bexar County, Texas or adjoining counties as depicted on **Exhibit 1** of the Concession Agreement; or
  - b. any person who initials immediately adjacent to the following statement which shall be prominently shown in the contract: “I certify that I did not arrive at the San Antonio International Airport within the past 12 hours.” Operator understands and agrees all contracts shall be deemed an Airport Customer car rental transaction and subject to the CFC, unless containing the initialed statement described within this subparagraph that qualifies the contract for the above exclusion.

**“Airport Parking Operating Costs”** means and includes costs not to exceed \$8,500,000.00 to compensate the City for (i) the loss of revenues reasonably estimated by the City which will result from the loss of the existing short term parking garage (which is being demolished to construct the Facility) until such time as the Public Parking Area (which is being constructed to replace the existing short term parking garage) is completed and open for public parking; and (ii) the additional actual costs the City incurs relating to providing shuttle service for passengers and employees to other parking areas on the Airport property during construction of the Facility. Airport will prepare yearly reports of actual loss of revenues and shuttle service costs incurred during the construction of the Facility.

**“Alteration”** is defined in **Section 12.1**.

**“Applicable Law”** means all applicable laws, ordinances, orders, directives, rules, codes and regulations of all Governmental Authorities and all grant assurances provided by City to any Governmental Authorities in connection with City’s ownership or operation of the Airport, as the same may be amended, modified or updated from time to time. “Applicable Law” includes Environmental Laws.

**“Authorities”** means the United States of America, and any state, county, city or other local governmental or quasi-governmental authorities, or any department, office, or agency of the foregoing now existing or hereafter created.

**“Aviation Director”** means the Aviation Director of the City of San Antonio or his designee.

**“Best Management Practices”** means those environmental or operational standards or guidelines specifying common and accepted practices appropriate for the types of businesses the Operator, its contractors, agents and/or vendors engage in on the Leased Premises, or such standards or guidelines as have been articulated by pertinent trade associations, professional associations or regulatory agencies, including (but not limited to) Best Management Practices developed by the CONRAC Manager in cooperation with the Operators and the City. Best Management Practices shall be subject to approval by the Aviation Director.

**“Bonds”** means the bonds to be issued by the City pursuant to the Bond Documents (whether in one or more series) from time to time pursuant to the terms of the Bond Documents for purposes of financing Project Costs related to the initial design and construction of the Project and costs for future repairs or improvements to the Project as well as any bonds issued to refund such bonds. It is anticipated that the Bonds shall be initially issued in two (2) series including special facilities bonds to finance the CONRAC which will primarily be secured by a pledge of CFCs and general airport revenues bonds to finance the Public Parking Area primarily paid by CFCs.

**“Bond Documents”** means one or more trust indentures entered into between the City and the Trustee, for the benefit of the owners of the Bonds, the ordinance or ordinances of the City authorizing the issuance of the Bonds, and all other documents and agreements related to the issuance thereof.

**“Bond Year”** shall be the period commencing each July 1 through the following June 30.

**“Brand”** means the car rental brand(s) or trade name(s) that Operator is authorized to operate at the

Airport as set forth in **Section 10.1.2** hereof, or as amended from time to time. The total number of brands allowed to operate at the CONRAC shall not exceed thirteen (13) Brands at any given time during the Term of this Lease Agreement and the Concession Agreement.

“**Car-Sharing**” means a model of renting a vehicle in which customers rent vehicles for a short period of time, usually on an hourly basis and/or through a membership service of a car rental company. Car-Sharing at the Airport is expressly permitted only by existing Operators as identified and allowed in **Section 6.3** of the Concession Agreement and **Section 10.1.2** of this Lease Agreement, and to no others.

“**Certificate of Occupancy**” means the document issued by the City certifying that the Facility, or applicable portion thereof, is in compliance with applicable building codes and other laws, and has been determined to be in a condition suitable for occupancy.

“**CFC**” – See “Customer Facility Charge” below.

“**CFC Eligible Routine Maintenance**” is defined in **Section 15.3.1**.

“**CFC Renewal and Replacement Fund**” means the fund of that name established pursuant to **Section 5.11** of the Indenture of Trust.

“**CFC Report**” means the report produced at least annually by the City to identify the status of CFC collections and remittances, forecast the next year’s CFC collections and requirements for debt service fund balances and other obligations established in the Bond Documents, recommend the new CFC rate, Facility Maintenance Fee rate, and provide the Contingent Fee Statement.

“**CFC Surplus Fund**” is the fund of that name established pursuant to **Section 5.12** of the Indenture of Trust.

“**City CFC Ordinance**” means Ordinance No. 2012-03-08-0173 adopted by the City Council on March 8, 2012, as such Ordinance may be amended and supplemented from time to time, and any such other ordinances adopted by the City Council from time to time with respect to the imposition of the Customer Facility Charge.

“**City Council**” means the City Council of the City of San Antonio, Texas.

“**City Standards**” means the Airport Rules and Regulations, the Airport Security Plan, the Regulations for Airport Construction, the CONRAC Tenant Design Criteria Manual (also known as, and referred to herein, as the “**Tenant Design Manual**” contained within **Exhibit B** of this Lease Agreement), and any other similar document establishing requirements and/or standards for design and construction at the Airport, as they now exist or may be amended from time to time.

“**Commencement Date**” means the date on which the City issues a Temporary Certificate of Occupancy and turns over to the Operator the Exclusive Use Premises for commencement of construction of the Operator Initial Tenant Improvements. Upon the Commencement Date, the Operator recognizes and authorizes the City’s contractor reasonable access to the Exclusive Use Premises to complete construction and punch-list items within the Exclusive Use Premises. Such date

may be adjusted at the sole discretion of the Aviation Director upon consultation with the Operator.

**“Common Use Area”** means those portions of the CONRAC not falling within the Exclusive Use Premises for any of the Operators granted rights to operate a Rental Car Concession in the CONRAC, including but not limited to: (i) the roof (both structure and covering/membrane), exterior walls, foundation and building structure of those portions of the CONRAC otherwise falling within the Exclusive Use Premises of the Operators; (ii) the pavements, canopies and other physical structures otherwise falling within the QTA Space portion of the Exclusive Use Premises of the Operators; (iii) the utilities systems serving the CONRAC up to the point of connection by any particular Operator; (iv) the Fuel Facilities, QTA Space and QTA Equipment; and (v) helix, loading docks, trash pick-up area, non-exclusive parts of the Customer Service Center, staging areas, stockroom and blast walls, roadways, pedestrian skybridge, and walkways necessary for ingress and egress.

**“Concession Agreement”** means that certain concession agreement between the City and each of the Operators, together with the exhibits thereto, as amended from time to time. The term “Concession Agreement” specifically includes each successor Concession Agreement to which the City and each of the Operators may be a party.

**“Consolidated Rental Car Facility” or “CONRAC”** means the consolidated rental car facility located at the Airport (excluding the Public Parking Area), including the Exclusive Use Premises and the Common Use Area. The CONRAC is depicted in **Exhibit D**, attached hereto and forming a part hereof.

**“CONRAC Management Contract”** means the agreement between the Operators and the CONRAC Manager approved by the Aviation Director in writing to provide for the performance of Routine Maintenance and Major Maintenance for the CONRAC and the management of all operations of and activities in the CONRAC. The City shall be a third-party beneficiary of the CONRAC Management Contract.

**“CONRAC Manager”** means the party chosen by the Operators to operate and maintain the CONRAC pursuant to **Section 14.1** of this Lease Agreement.

**“CONRAC Routine Maintenance”** means all actual costs of operating and maintaining the CONRAC, including, but not limited to, the following: (i) the actual costs incurred in performing maintenance and repairs that does not qualify as Major Maintenance, including a reasonable allocation of City administrative costs for work performed by City; (ii) the cost of the CONRAC Manager and associated support staff responsible for supervising the operation and management of the CONRAC; (iii) CONRAC liability insurance costs (including pollution liability) or other City approved insurance purchased through the CONRAC Manager on behalf of the Operators; (iv) Utilities Costs for the CONRAC, including utilities costs for the pedestrian skybridge (except for any separately metered utilities costs for Operator’s Exclusive Use Premises and for the Public Parking Area); and (v) administrative costs. CONRAC Routine Maintenance specifically excludes any such costs incurred by the City with respect to its own direct responsibilities for the Public Parking Area. CONRAC Routine Maintenance includes both CFC Eligible Routine Maintenance and Non-CFC Eligible Routine Maintenance.

**“Contingent Fee”** means the additional payment obligations required to fund any deposits to the first

seven (7) funds identified in clauses (1) through (7) of **Section 3.3** in the event CFC revenues and amounts available in the CFC Surplus Fund are not sufficient to make such required deposits in full as required by the Bond Documents.

**“Contingent Fee Estimate”** is defined in **Section 3.4.2**.

**“Contingent Fee Statement”** is defined in **Section 3.4.3**.

**“Costs of CFC Administration”** means any and all costs incurred or paid by the City in connection with the administration of the CFC, the Bonds and the Bond Documents or the satisfaction of any and all non-financial obligations under the Bonds and the Bond Documents (or any of them). Without limiting the generality of the foregoing, Costs of CFC Administration include, but are not limited to, bank charges, the cost of a Trustee responsible for the collection, handling and disbursement of the CFC and servicing the Bonds, the cost of CFC audits, the cost to prepare the CFC Reports, rating agency fees, and any costs related to municipal bond insurance policies (other than the initial insurance premium) obtained in connection with the Bonds, if any.

**“Covered Ready/Return Area”** means the covered Ready/Return Areas of the CONRAC as depicted in **Exhibits E-1, E-2, and E-3**.

**“Customer Facility Charge” or “CFC”** means the customer facility charge or charges imposed by the City pursuant to the City CFC Ordinance or the Bond Documents on Transactions occurring on or about the Airport, and required to be collected by the Operator pursuant to **Article 6** of this Lease Agreement.

**“Customer Service Center”** means the customer service area of the CONRAC that includes, but is not limited to, customer service counters, back-office support areas, public areas, vertical circulation areas, and the pedestrian skybridge for the operation of a Rental Car Concession.

**“Date of Beneficial Occupancy” or “DBO”** means the date on which the Aviation Director declares that the CONRAC is open for business and can begin serving the public. There will be one DBO for the entire CONRAC. No Operator may begin rental car operations in the CONRAC until the DBO.

**“Days”** (whether capitalized or not) unless otherwise specified, means calendar days, not business days.

**“Deadline for Substantial Completion”** means the date identified by the Aviation Director for the Operators’ substantial completion of their Initial Tenant Improvements, which date shall be 180 days following the Commencement Date. Such date may be adjusted upon agreement between the Aviation Director and the Operators.

**“Debt Service Coverage Fund”** means the fund of that name established pursuant to **Section 5.07** of the Indenture of Trust.

**“Debt Service Fund”** means the fund of that name established pursuant to **Section 5.05** of the Indenture of Trust.

**“Debt Service Reserve Fund”** means the fund of that name established pursuant to **Section 5.06** of the Indenture of Trust.

**“Effective Date”** means the date that the respective documents are fully executed by all parties to the applicable agreement.

**“Environmental Audit”** is defined in **Section 19.1**.

**“Environmental Laws”** is defined in **Section 19.1**.

**“Exclusive Use Premises”** means those portions of the CONRAC, including in the Customer Service Center and the Ready/Return Area, as determined in accordance with **Article 4** herein. The Exclusive Use Premises assigned to the Operator are for the use and occupancy of the Operator to the exclusion of all others.

**“Facility”** means the structure to be constructed by the City that consists of the CONRAC and the Public Parking Area depicted in **Exhibit D**.

**“Facility Maintenance Fee”** means the fee that must be levied by the Operator, together with other Operators, to recover the cost of Non-CFC Eligible Routine Maintenance together with the projected shortfalls to funding of CFC Eligible Routine Maintenance.

**“Facility Major Maintenance”** is defined in **Section 15.1.1**.

**“Family”** means a group of Brands or trade name(s) owned or operated by an Operator at the Airport as set forth in **Section 10.1.2**, or as amended from time to time.

**“Fuel Facilities”** means the specific improvements installed on or about the Facility for purposes of fueling rental car vehicles by the Operators. The Fuel Facilities specifically include all underground storage tanks, underground and above ground piping, related underground and above ground structures and equipment, including without limitation tank fill ports, fuel dispensers, spill containment structures, oil-water separators, storm water management systems, required network of monitoring wells, leak prevention and detection systems, and the surrounding areas used in connection with the operation of the Fuel Facilities, including without limitation areas of Hazardous Substance transfer, dispensing, and containment systems.

**“Good Standing”** means, with respect to an Operator, that the Lease Agreement, Concession Agreement, and Operators Member Agreement to which an Operator is a party are not in default at the time that a determination of good standing is made.

**“Governmental Authorities”** means federal, state and municipal governments, authorities and agencies and their respective agencies, departments, authorities and commissions. “Governmental Authorities” shall specifically include, without limitation, the City, the State of Texas, the United States Department of Transportation (“DOT”), the Federal Aviation Administration (“FAA”) and the Transportation Security Administration (“TSA”).

**“Gross Revenues”** is defined in the Concession Agreement.

**“Ground Rent”** is defined in **Section 6.1**.

**“Hazardous Substance”** is defined in **Section 19.1**.

**“Indenture of Trust”** means the Indenture of Trust, dated as of July 1, 2015, by and between the City and the Trustee pursuant to which the Bonds and any Additional Bonds are issued, together with any Supplements or amendments thereto.

**“Initial Lease Period”** is defined in **Article 5**.

**“Initial Tenant Improvements”** is defined in **Section 2.2.1**.

**“Lease Site”** means that parcel of land shown on **Exhibit C**, on which land the Ground Rent will be calculated. The description and area set forth in this definition shall be subject to adjustment following completion of the Project to account for dedications and other adjustments to the Lease Site made as part of construction of the Project. The City will provide, by notice to the Operators, a revised description and final areas within ninety (90) days following completion of the Project.

**“Lease Term”** is defined in **Section 5.1**.

**“Lease Year”** is defined in **Section 5.1**.

**“Leased Premises”** means the Operators’ Exclusive Use Premises and Common Use Area.

**“Legal Requirements”** means all laws, statutes and ordinances, including building codes, zoning regulations, orders, rules, regulations and requirements (whether now or hereafter in effect) of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or of any other governmental, public or quasi-public authority, which may be applicable to or have jurisdiction over the Facility, the sidewalks or streets adjacent thereto, and all requirements, obligations and conditions of all instruments of record on the date of this Lease Agreement and thereafter.

**“Lien”** means any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on the Facility or any Alteration, the ownership of which is retained by the City.

**“Light Vehicle Maintenance”** is defined in **Section 10.1.1**.

**“Major Maintenance”** means the Engineer’s Report required under **Section 15.9**, and any single item, repair, replacement, renewal, or removal of improvements in, of, or to the CONRAC or any structural aspect of the Facility having a cost in excess of Ten Thousand Dollars (\$10,000) that (i) preserves, extends or restores the useful life in excess of five (5) years, and is beyond the regular, annual or more frequent upkeep of physical property (i.e., land, building, or equipment); or (ii) removes improvements at the expiration or termination of the Lease Agreement, or otherwise at the direction of City.

Major Maintenance includes the repair or replacement of failed or failing building components as

necessary to return the CONRAC to its currently intended use, to prevent further damage, or to make it compliant with changes in laws, regulations, codes, or standards. Routine Maintenance shall not be considered Major Maintenance. Items of Major Maintenance include, but are not limited to:

- (a) Repair or replacement of components of the Facility such as: roof, windows, generators, or utility distribution systems;
- (b) Repair or replacement (except to the extent required due to abuse or neglect by an Operator or Operators) of pumps or motors provided as part of the original outfitting of the CONRAC and not as a Tenant Improvement;
- (c) Repair or replacement of QTA systems and equipment;
- (d) Additions or changes to safety systems of the Facility such as: fire alarms, fire sprinklers, fire exits, or security systems;
- (e) Necessary changes to the Facility to meet local, state, and federal requirements, codes, and standards;
- (f) Repair or replacement of components of the Facility that are creating a threat to life, health, and safety of people;
- (g) Emergency repairs resulting from storm, flood or fire, and in particular, damage requiring immediate attention to prevent further damage or to restore the use of the Facility; or
- (h) Removal of above and underground fuel storage tanks, if required.

**“Market Share”** means an Operator’s most recent 12 month Gross Revenues as a percentage of the total Gross Revenues for the on-airport rental car operators for the same period.

**“New Entrant”** is defined in **Section 2.3**.

**“Non-CFC Eligible Routine Maintenance”** is defined in **Section 15.3.2**.

**“Non-RAC Concessionaire”** means any concessionaire granted rights to operate a concession other than a Rental Car Concession in the CONRAC. Non-RAC Concessionaire may include advertising, food and beverage, and newsstands.

**“Off-Airport Rental Car Permittees”** means any entity operating a rental car business off airport that picks up and drops off customers at the CONRAC. Off-Airport Rental Car Permittees’ activities on the Airport are governed by a permit with the Airport.

**“On-Airport Rental Car Operators”** means any entity having a Lease similar to this lease and a concession agreement similar to the Concession Agreement.

**“Operations Manual”** is defined in **Section 15.6**.

**“Operator”** means the particular entity executing this Lease Agreement and related agreements for the operation of a Rental Car Concession in the CONRAC. Operator includes all allowable Brands listed in **Section 10.1.2**, as amended from time to time, authorized to operate within the Operator’s Family under this Lease Agreement and any associated Car-Sharing programs.

**“Operator Property”** means trade fixtures, business equipment, furnishings, and signs of each respective Operator that have not been permanently affixed to the CONRAC or which otherwise remain the personal property of that Operator, the removal of which would not damage or affect the structural integrity or usability of the CONRAC.

**“Operator’s Pro Rata Share”** for any particular Operator, means the percentage determined by dividing (i) the total amount of Exclusive Use Premises leased by such Operator in the CONRAC by (ii) the total amount of Exclusive Use Premises leased to all Operators in the CONRAC, all of which space may be measured by the City in any reasonable and uniform manner. The Pro Rata Share may vary from time to time, but will not be readjusted by the Aviation Director more frequently than on a monthly basis. For purposes of determining the total amount of Exclusive Use Premises leased (but without in any manner releasing, waiving or otherwise absolving any potential claims for damages against any Operator in the Event of a Default), (i) space for which a lease terminates shall be treated as leased until the first full month following the date of such lease termination, and (ii) a lease rejected in bankruptcy shall be treated as terminating on the date the lease is rejected in the bankruptcy proceedings.

**“Operators”** means all entities, including the Operator, having executed a CONRAC lease agreement related to the operation of a Rental Car Concession in the CONRAC.

**“Operators Member Agreement”** means the agreement providing for the membership rights, requirements, obligations and procedures of the Operators with respect to (i) the operation and maintenance of certain areas of the CONRAC; (ii) the payment for such operation and maintenance costs for certain areas in the CONRAC to the extent such operation and maintenance is not paid for by CFC proceeds; (iii) the allocation and reallocation of the foregoing costs, as well as other Operator expenses; (iv) review, approve, and/or enter into agreements with third parties; and (v) the allocation and reallocation of space in the CONRAC that are not inconsistent with this Lease Agreement.

**“Operators’ Technical Representative”** means the third party firm and/or individual(s) (initially the firm of Jacobsen/Daniels Associates, LLC) responsible for coordinating among the Operators to ensure that Operators stay informed about the Project and that Operators’ interests are presented to the City during the Project.

**“Overflow Parking Area”** shall mean the uncovered roof parking level in the CONRAC depicted on **Exhibit E-4**.

**“Parties”** means the City and the Operator, collectively.

**“Percentage Fee”** shall have the meaning set forth in the Concession Agreement.

**“Performance Guarantee”** is defined in **Article 9**.

**“Person”** means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

**“Pre-Lease Agreement Environmental Condition”** is defined in **Section 19.1**.

**“Preliminary Financial Plan”** means the financial plan reflected on **Exhibit G** of this Lease Agreement that represents the City’s good faith efforts to estimate Project Costs, financial structure, and the initial CFC rate based on the information available prior to execution of this Lease Agreement.

**“Project”** means the Facility, including the CONRAC and the Public Parking Area, to be constructed by the City, plus necessary ingress and egress from the Airport terminal roadways as depicted in **Exhibit D** attached hereto and forming a part hereof.

**“Project Costs”** means any and all costs incurred or paid by City in connection with the Project, including but not limited to, design costs, permitting costs, construction costs, Initial Tenant Improvements (if funds are available), architectural and engineering fees, equipping capitalized interest for payment of interest on Bonds, Bond issuance and underwriting expenses, the funding of any reserves required in connection with Bonds, demolition associated with the Project, environmental costs, including remediation of environmental conditions discovered during construction of the Project, construction costs, costs associated with Project management, Operators’ Technical Representative, contract administration or construction management, and a reasonable allocation of administrative costs of the City associated with the design and construction of the Project.

**“Project Site”** means that parcel of land shown on **Exhibit C**, on which land the Project is to be constructed. The description and area set forth in this definition shall be subject to adjustment following completion of the Project to account for dedications and other adjustments to the Project Site made as part of construction of the Project. The City will provide, by notice to the Operators, a revised description and final areas within ninety (90) days following completion of the Project.

**“Public Parking Area”** means the levels of the Facility to be exclusively used as a City operated public parking facility.

**“Public Parking Area GARB Debt Fund”** means the fund of that name established pursuant to **Section 5.08** of the Indenture of Trust.

**“QTA”** means quick turn-around.

**“QTA Space”** means the quick turn-around area utilized by the Operators for purposes including but not limited to car washing, cleaning, fueling, and/or Light Vehicle Maintenance.

**“QTA Equipment”** means all equipment located in the QTA Space and used in connection with car washing, cleaning, fueling activities, and/or Light Vehicle Maintenance. The QTA Equipment includes, without limitation, the car washes and all associated equipment; vacuums; and dispensing systems for fuel, fluid, and/or compressed air.

**“Rate Covenant”** is defined in **Section 2.05** of the Indenture of Trust.

**“Ready/Return Area”** means those portions of the CONRAC utilized by the Operators for purposes of stacking, staging, returning, and delivering rental cars. Ready/Return Area includes both the Covered Ready/Return Area and the Overflow Parking Area.

**“Reimbursable City Costs”** is defined in **Section 6.3.1**.

**“Rental Car”** means any motor vehicle, regardless of fuel or power source, including, but not limited to, a passenger automobile, van, sport utility vehicle, pickup or other truck under 10,000 pounds gross vehicle weight, motorcycle or motor scooter, which can be legally driven on the public streets in San Antonio, Texas and made available for use, under any form of lease, rental contract or other agreement for temporary use.

**“Rental Car Concession”** means the right to operate a rental car concession at the Airport from the CONRAC on a non-exclusive basis for the purpose of arranging rental car services for the benefit of Airport Customers where such rental car service is furnished by the Operator.

**“Spill Prevention Control and Countermeasures Plan”** or **“SPCC Plan”** is defined in **Section 19.1**.

**“Storm Water Pollution Prevention Plan”** is defined in **Section 19.1**.

**“Subordinated Debt Fund”** means the fund of that name established pursuant to **Section 5.09** of the Indenture of Trust.

**“Substantial Completion”** or **“Substantially Complete”** means the stage in the progress of the construction when the Facility, or a designated part of the Facility, is sufficiently complete so that City and Operators can occupy or use portions of the Facility for its intended use.

**“Total Aggregate Initial Tenant Improvement Allowance”** is defined in **Section 2.3**.

**“Transaction”** means a distinct act of business between an Operator and an Airport Customer for rental of a Rental Car as authorized under its Concession Agreement. Each taking of possession of a Rental Car from an Operator under an ongoing contract for multiple rentals is deemed a distinct act of business for purposes of this definition; however, an exchange of vehicles under a single rental contract is not deemed to create a new Transaction.

**“Transaction Day”** means, with respect to any vehicle available for rent by any Operator, each twenty-four (24) hour period (or fraction thereof) that a vehicle is rented by an Airport Customer; provided, however, that if an Operator’s vehicle rental contract contains a grace period for the vehicle’s return at the end of such vehicle’s rental period of no more than fifty-nine (59) minutes, during which grace period such Operator will not charge a customer a further vehicle rental fee or other form of late return fee, then the CFC shall not be imposed during such grace period and such grace period shall not be considered a further Transaction Day. In the event of any inconsistency between this definition and the terms of the City CFC Ordinance, the terms of the City CFC Ordinance shall control.

**“Trustee”** means the financial institution identified in the Bond Documents to serve as the trustee for

the Bonds or any series thereof.

**“Utilities Costs”** means all the costs and expenses associated with the operation of the CONRAC, specifically including any costs associated with utilities provided to the CONRAC, and any services provided for the benefit of the Operators. Without limiting the generality of the foregoing, Utilities Costs specifically include electricity, communications, gas, water, sewer, garbage, recycling, and costs of connection thereto.

END OF ARTICLE

## ARTICLE 2 CONSTRUCTION OF PROJECT

The City shall construct the Project substantially in accordance with the plans and specifications as they may be amended during the construction process; provided, however, the Aviation Director shall have the right to make reasonable changes to the design of the Project as more specifically set forth in **Section 2.5** herein. City shall deliver the Exclusive Use Premises to Operator on the Commencement Date in accordance with this Article 2.

### **Section 2.1 PROJECT COSTS.**

The City will endeavor to complete the Project within a cost structure that is supported by CFC revenues as projected within the Preliminary Financial Plan as depicted on **Exhibit G** attached hereto and incorporated by reference, which exhibit shall be updated with actual costs expended upon completion of construction of the Facility.

### **Section 2.2 PROJECT BUILD-OUT IMPROVEMENTS (INITIAL TENANT IMPROVEMENTS) BY OPERATOR.**

#### **2.2.1 Design and Construction.**

The Operator shall be responsible for designing and constructing all improvements to the Operator's Exclusive Use Premises that the Operator deems necessary or desirable in connection with the Operator's operation of a Rental Car Concession from the CONRAC ("**Initial Tenant Improvements**"). The Operator shall comply with the design, construction and opening procedures set forth in the Tenant Design Manual attached hereto as **Exhibit B** in connection with the Operator's design and construction of the Operator's tenant improvements. The Initial Tenant Improvements shall be performed (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements and the City Standards; and (iii) in a manner that will not unreasonably interfere with or disturb the City or the other Operators. Initial Tenant Improvements shall be completed, including commissioning, by the Deadline for Substantial Completion. The Operator specifically acknowledges and agrees that the one hundred eighty (180) days after the Commencement Date established by the City includes adequate time for construction of the Operator's Initial Tenant Improvements, including commissioning, during which the Operators (and each Operator) are expected to complete the installation of any furniture, trade fixtures and office equipment not completed as part of the Initial Tenant Improvements, complete all systems/process testing, and otherwise do anything and everything else necessary to be fully operational on the DBO.

#### **2.2.2 City Review Does Not Relieve Operator.**

The Operator agrees that nothing in the City's review and/or approval of the Operator's plans shall create responsibility or liability on the part of the City for their completeness, design sufficiency, or compliance with all Legal Requirements and the City Standards, all of which shall be the Operator's sole responsibility. Nor shall such review or approval constitute a waiver by the City of the right thereafter to require the Operator to correct any failure by the Operator to comply with any Legal Requirements later discovered by the City.

#### **2.2.3 Substantial Completion – Initial Tenant Improvements.**

The Operator agrees that its Initial Tenant Improvements shall be Substantially Complete no later than the Deadline for Substantial Completion; provided, however, said time period may be extended to the extent of delays directly caused by the City, the City's contractor and/or events beyond the reasonable control of the Operator.

#### **2.2.4 Final Completion – Initial Tenant Improvements.**

Notwithstanding that the Operator has substantially completed the Initial Tenant Improvements, the Operator shall diligently pursue the Initial Tenant Improvements to final completion, and shall completely finish the Initial Tenant Improvements no later than fourteen (14) days after the Deadline for Substantial Completion. The final completion of the Initial Tenant Improvements includes, but is not limited to, the completion of construction of the Operator’s Initial Tenant Improvements, as defined in the construction drawings, and resolution of all items on the deficiency list, prepared by the City.

#### **2.2.5 DBO.**

Operator shall have completed its Initial Tenant Improvements, installed all furniture, trade fixtures and office equipment, completed all systems/process testing, and otherwise be fully and completely ready to commence operations no later than the DBO. Operator specifically understands that the City intends that rental car operations shall commence from the CONRAC on the DBO regardless of whether the Operator or any other operator has completed its Initial Tenant Improvements and/or is ready to commence operations.

#### **2.2.6 2.2.6 As-Built Documents.**

The Operator shall deliver to Aviation Director not later than ninety (90) days after the DBO full and complete “as built” drawings of the Initial Tenant Improvements in electronic format and three (3) half-size hard copies, in commercially reasonable formats as determined by the City. For any equipment installed, the Operator shall deliver to the City, two (2) copies of the complete operations and maintenance manuals and warranty information provided to the Operator.

#### **2.2.7 2.2.7 Deadline Adjustment.**

Notwithstanding the foregoing, the Aviation Director may adjust any deadline stated above by written notice to Operator; provided, however, the City will not shorten the total Initial Tenant Improvements Construction Period.

### **Section 2.3 TENANT IMPROVEMENT REIMBURSEMENTS.**

The Trustee shall reimburse certain costs of Initial Tenant Improvements incurred by the Operators during the course of construction of the Project in an aggregate total amount (“**Total Aggregate Initial Tenant Improvement Allowance**”) not to exceed the lesser of: (i) six million dollars (\$6,000,000.00) or (ii) fifty percent (50%) of the total aggregate amount of Initial Tenant Improvements constructed by all Operators, to be allocated among the Operators as follows: (i) for each Operator who is not a party to a “Prior Concession Agreement” as that term is defined in the Concession Agreement (“**New Entrant**”), up to one percent (1%) of the Total Aggregate Initial Tenant Improvement Allowance; and (ii) for each Operator other than New Entrants, the remaining Total Aggregate Initial Tenant Improvement Allowance shall be allocated by market share based on calendar year 2017 Gross Revenues. Such costs may be reimbursed during construction if funds are available and/or in future years as funding is available.

To be reimbursed, the Operator shall comply with **Subsections 2.3.1 through 2.3.4** below:

#### **2.3.1 Reimbursement Request.**

The Operator shall provide to the Aviation Director documentation satisfactory to City that the costs were actually incurred, that the work consisted of Initial Tenant Improvements in the CONRAC, was

completed and paid for, and that reimbursement is requested in accordance with this Lease Agreement. The Operator's request for reimbursement shall include a copy of all paid invoices, billings, and/or cancelled checks for each cost claimed, attached to a certified statement that all amounts claimed were paid to third-party design professionals, vendors or contractors. No amount will be paid to the Operator for its own in-house costs or expenses.

### **2.3.2 Fully Documented Claim.**

The Operator shall submit its fully documented claim for Initial Tenant Improvement reimbursement to the Aviation Director, which claim shall be submitted no later than two hundred seventy (270) days after the DBO. Any request made more than two hundred seventy (270) days after the DBO will not be considered or paid. The Aviation Director will review timely submitted claims and, based on the approved claims, will prepare a schedule of Initial Tenant Improvement Allowances in accordance with **Section 2.3** above. Notwithstanding the authorized allocation to Operator in this Section 2.3.2, the reimbursement to the Operator shall not exceed the lesser of (1) the qualifying costs of Initial Tenant Improvements made and properly documented in a timely claim by the Operator or (2) the Operator's allocation. The reimbursement schedule will be submitted to the Operators.

### **2.3.3 Initial Tenant Improvement Reimbursements.**

The Aviation Director will retain approved Initial Tenant Improvement reimbursement claims for submission to the Trustee for payment based on availability of funds as determined in the CFC Report. If full reimbursement is not available, reimbursements to each Operator will be pro rated as set forth in the schedule provided in **Section 2.3.2** above. Any funds not timely claimed shall be retained in the CFC Surplus Fund in accordance with the terms of the Bond Documents.

### **2.3.4 Submission of As-Built Documents for Reimbursement.**

Operator shall submit as-built documents per **Section 2.2.6** in order to receive the final Initial Tenant Improvement reimbursement payment.

## **Section 2.4 VACATE TERMINAL.**

The Operator, at its sole cost and expense, shall vacate the Operator's leased premises and kiosks in the Airport terminal covered by its prior concession agreement. Operator shall leave the leased premises in broom clean and good condition and repair, obsolescence and ordinary wear and tear excepted, and remove all of its personal property therefrom. The Operator shall vacate its leased premises in the Airport Terminal not later than ten (10) days after the DBO unless vacated earlier in accordance with the terms of the prior concession agreement. In addition, no rental car operator shall be permitted to operate buses or other commercial vehicles, including their rental car fleet, to and from the Airport's terminal buildings' curbsides on or after the DBO.

## **Section 2.5 CHANGES.**

The Parties shall have the right to make reasonable changes to the construction of the Project as more specifically set forth in this Section.

### **2.5.1 City Initiated Changes During Construction.**

After the Effective Date of this Lease Agreement, the City shall have the right to make reasonable changes to the Project for purposes of facilitating the construction of or otherwise increasing the efficiency of the Project, provided that any such change does not materially and adversely affect any Operator's intended operations. With regard to City initiated changes, the City will endeavor not to create an unfair advantage or disadvantage among Operators.

The City may only make material changes to the Project with the concurrence of the Operators. The Operators agree that concurrence with City proposed Project changes cannot be unreasonably withheld, denied, or delayed. The process of determining concurrence on material changes will be as follows:

1. The City will provide the Operators with Proposed Changes Information concerning the nature of the changes; the information will include Project budget impacts, schedule impacts, and operational implications.
2. The City will conduct a teleconference or meeting to discuss the proposed changes.
3. The Operators will be deemed to concur with the proposed changes unless eighty (80%) percent of the Operators in number representing eighty (80%) of the CFCs paid during the most recent twelve (12) month period for which data is available notify the City in writing that they do not concur with the proposed change.

Notice of non-concurrence with a City proposed Project change must be received within one (1) business day after the teleconference or meeting. In the event of a lack of Operators' concurrence on City proposed Project changes, the Project will remain unchanged unless the change involves life/safety or anti-competitive issues or interference with Airport operations. In the event of a City proposed change addressing a life/safety or anti-competitive issue or interference with Airport operations, the Operators' concurrence is advisory and the City may proceed with the Project change at its sole discretion.

### **2.5.2 Operator-Initiated Project Changes.**

The Operator shall not have any right to make any changes to the Project, other than changes to Initial Tenant Improvements in accordance with the process set forth in **Section 12.1**; however, the Operators may, through the Operators' Technical Representative, submit requested changes to the Project to the City for consideration.

### **Section 2.6 PERMITS.**

The City shall obtain all necessary permits associated with the Project, including a Certificate of Occupancy prior to the DBO; provided, however, that the City shall not be responsible for obtaining permits associated with the Initial Tenant Improvements or any Alterations (specifically including any Certificate of Occupancy associated with such Initial Tenant Improvements).

### **Section 2.7 CONSULTATIONS.**

The Operator shall from time to time consult with the City during the design and construction of the Facility to obtain information required for construction build-out of the Initial Tenant Improvements. The City shall have no obligation to design, construct, or install any improvements or fixtures within the Operator's Exclusive Use Premises that are not included within the City's plans and specifications for the Facility. The Operator and the Operator's third-party design professionals and others as necessary shall attend construction progress meetings to coordinate construction activities with City. It is the Operator's duty to keep informed on the progress of Project construction. The Operator shall attend such periodic meetings with City representatives for the purpose of keeping informed on the status of the Project and to be informed as to the construction start date for Initial Tenant Improvements discussed above.

**Section 2.8 PAYMENT BONDS.**

Prior to the initiation by the Operator of Initial Tenant Improvements construction work on the Leased Premises, the Operator shall furnish the following bond to cover its construction contract work:

A payment bond in an amount not less than one hundred percent (100%) of the estimated contract price, conditioned upon the payment by the Operator for all materials, labor, supplies and transportation furnished in the performance of the work contracted to be done by the terms of said contract, and for any work or labor of any kind done thereon, by a surety authorized to do business as such in the State of Texas, in substantially the form as **Exhibit H**. Payment bonds shall cover the Operator's obligations during the guarantee and/or warranty periods as well as the construction period. The payment bond shall be returned to the Operator at such time as construction is deemed complete and accepted by the City.

END OF ARTICLE

## ARTICLE 3 PAYMENT FOR COST OF FACILITY

### Section 3.1 PROJECT FINANCING.

The City will have the right in its sole discretion to determine the financing structure for the issuance of Bonds secured primarily with CFC proceeds to finance Project Costs. The City will periodically coordinate Bond Documents with the Operators.

From time to time during the Term hereof, the City may refinance Project Costs by issuing Bonds to refund any then outstanding Bonds, if the City deems such refinancing prudent.

### Section 3.2 OPERATOR COOPERATION.

The Operator will cooperate with the City throughout the Lease Term to secure funding for the Project through the issuance of Bonds or any other financial transactions. Specifically, the Operator will provide the City with all requested data related to Transactions and Transaction Days, including, but not limited to, monthly rental car Transactions and monthly rental car Transaction Days, and all other reasonable information requested from time to time by the City to support the City's financing efforts as well as to support the City's periodic discussions with rating agencies and to comply with the City's continuing disclosure obligations related to the Bonds.

### Section 3.3 APPLICATION OF CFC REVENUES AND FUND STRUCTURE.

The City will apply CFC revenues, to the extent available, in accordance with the following general priorities, such priorities subject to the specific provisions and requirements of the Bond Documents:

1. First. To the Debt Service Fund to pay debt service as required by the Bond Documents related to all Bonds issued by the City to finance or refinance Project Costs ("**Debt Service Fund**");
2. Second. To the Debt Service Reserve Fund to fund a Bond debt service reserve funds as required by the Bond Documents ("**Debt Service Reserve Fund**");
3. Third. To the Debt Service Coverage Fund to fund the rolling coverage fund as required by the Bond Documents ("**Debt Service Coverage Fund**");
4. Fourth. To the Public Parking Area GARB Debt Fund in approximately equal monthly installments of the total amount of principal and interest on the City's outstanding Public Parking Area Debt coming due during the applicable Bond Year ("**Public Parking Area GARB Debt Fund**");
5. Fifth. To the Subordinated Debt Fund to pay debt service on subordinated debt, if any ("**Subordinated Debt Fund**");
6. Sixth. To the Administrative Costs Fund to pay any arbitrage rebate requirements related to the Bonds, Costs of CFC Administration, and Facility property insurance ("**Administrative Costs Fund**");

7. Seventh. To the CFC Renewal and Replacement Fund to fund a renewal and replacement reserve fund in an amount not to exceed seven million five hundred thousand dollars (\$7,500,000.00), to pay the costs of unforeseeable expenditures and provide for the renewal and replacement of Facility elements (“**CFC Renewal and Replacement Fund**”) as more fully described in the Bond Documents;
8. Eighth. To the CFC Surplus Fund (“**CFC Surplus Fund**”) in the following order of priority to be available to: (i) fund any required deposits to the first seven (7) funds identified above in the event CFC revenues are not sufficient to make such required deposits in full; (ii) fund Initial Tenant Improvement Reimbursements; (iii) fund the Contingent Fee Reimbursement Account to reimburse Contingent Fees to Operators and the City; (iv) deposit the remaining funds in the Routine Maintenance Reimbursement Account, and monthly, as deposited, transferred to the CONRAC Manager, to reimburse CFC Eligible Routine Maintenance; however, the balance of the CFC Surplus Fund must under no circumstances fall below \$2,000,000.00; and (v) for any other lawful CONRAC purpose. Additionally, the Airport Parking Operating Funds Account will be initially funded in the amount of \$8,500,000 from CFC collections on deposit at the time of Bond closing to pay the City for Airport Parking Operating Costs.

*[remainder of page intentionally blank]*

The following table shows the fund structure in the Bond Documents, deposit priorities, and purpose of funds:

Proposed CONRAC Funds Flow CONRAC Program San Antonio International Airport			
Priority	Customer Facility Charge Revenue Fund	Fund/Account Purpose	Amount Included in CFC Calculation
1	Debt Service Fund	Pay Debt Service As Required	Annual Debt Service
2	Debt Service Reserve Fund	Debt Service Reserve	Reserve Requirement Replenishment
3	Debt Service Coverage Fund	Cover Debt Service deficiencies for Debt Service Fund and Public Parking Area GARB Debt Fund and count as coverage	Any Deficit
4	Public Parking Area GARB Debt Fund	Pay Debt Service As Required and replenish pro rata GARB debt service reserve fund deficiency	Annual Debt Service
5	Subordinated Debt Fund	Pay Subordinated Debt Service As Required	Subordinated Debt Service
6	Administrative Costs Fund	Pay Costs of CFC Administration, Facility Property Insurance	Administrative Costs
7	CFC Renewal and Replacement Fund	Pay Major Maintenance, Budgeted Renewals and Replacements, and establish a \$7.5 Million reserve for Unforeseeable Requirements	Major Maintenance, Budgeted Renewals, Replacements, and Reserve Replenishment
8	CFC Surplus Fund	Remaining Funds Depository	
a.	Fund Deficiencies in 1-7 Above	Bond Documents Compliance	No
b.	Initial Tenant Improvement Reimbursement Account	Initial Tenant Improvement Reimbursement	No
c.	Contingent Fees Reimbursement Account	Reimburse Contingent Fees	May be included in CFC calculation
d.	Routine Maintenance Reimbursement Account	Reimburse CFC Eligible Routine Maintenance Costs up to an amount that does not allow the Other CFC Lawful Purposes Balance to go below \$2 million	No
e.	Excess CFC Revenues	Other CFC Lawful Purposes	No
f.	Airport Parking Operating Funds Account Lost Parking Revenue and Shuttle Bus Expense Reimbursement Account	Initially funded from Prior CFC Revenues to reimburse lost parking revenue and the expenses associated with passenger shuttling	No

### **Section 3.4 CONTINGENT FEE.**

The purpose of the Contingent Fee is to remain in compliance with the Bond Documents. A Contingent Fee will be imposed from time to time only if there are not enough funds in the CFC projections to cover the requirements under the Bond Documents and the City has considered the following options and deemed them not to be fiscally responsible: (i) increasing the CFC rate; (ii) utilizing funds available in the CFC Renewal and Replacement Fund; and/or (iii) utilizing funds available in the CFC Surplus Fund.

Once a Contingent Fee is imposed, the Aviation Director shall promptly engage an airport consultant to review the Transaction Day and CFC collection history, and who shall prepare and deliver to the City, the Trustee and the Operators a new CFC Report recommending appropriate action with respect to the CFC rate and other appropriate actions, which CFC Report recommendation(s) shall be implemented as promptly as practicable.

#### **3.4.1 Contingent Fee Prorations and Payment.**

The City shall prorate the Contingent Fee between the Operators and the City. The proration will be based on the construction cost of the Public Parking Area compared to the cost of the Facility as determined by the construction contractor as reflected on **Exhibit G**. The City shall pay the portion of Contingent Fee relating to the Public Parking Area and the Operators shall pay the remainder of the Contingent Fee requirement. City covenants and agrees that the Operators shall not be subject to any liability through the Contingent Fee for the Public Parking Area; Operator covenants and agrees that City shall not be subject to any liability through the Contingent Fee for the CONRAC.

#### **3.4.2 Contingent Fee Estimate.**

The City shall include in its CFC Report and any supplemental reports, and as otherwise required herein, and will provide Operator with a statement of the estimated monthly installments of Contingent Fee (the “**Contingent Fee Estimate**”), if any, that will be due and payable by Operator by the fifteenth (15<sup>th</sup>) day of each month during each such Lease Year. The Contingent Fee Estimate shall be sufficient to enable the City to fully fund each of the first seven (7) funds identified in **Section 3.3** above for such Lease Year and to comply with the Rate Covenant set forth in **Section 2.05** of the Indenture of Trust. The City shall base such Contingent Fee Estimates on, among other things: (i) the estimated or forecasted number of Transaction Days for such Lease Year; (ii) the estimated or forecasted CFC collections for such Lease Year; (iii) the amounts projected to be on deposit and available in the CFC Surplus Fund during such Lease Year; (iv) the estimated or forecasted amount necessary to fully fund each of the first seven (7) funds identified in Section 3.3 above for such Lease Year. Operator shall pay to the Trustee the estimated monthly installment of Contingent Fee as set forth in the Contingent Fee Estimate.

#### **3.4.3 Contingent Fee Statement.**

The CFC Report shall include a statement (the “**Contingent Fee Statement**”) setting forth (i) the amount that was necessary to fully fund each of the first seven (7) funds identified in **Section 3.3** during such Lease Year; (ii) the total CFC collections received by the Bond Trustee during such Lease Year; (iii) the total amount of Contingent Fee paid by the Operator, all other Operators, and the City during prior Lease Years, and (iv) the available balance, as of the last day of the just ended Lease Year, of the CFC Revenue Fund and the CFC Surplus Fund.

#### **3.4.4 Contingent Fee Payments to Trustee.**

To the extent Contingent Fee is required to fund one or more of the first seven (7) funds identified in

**Section 3.3** above, the Operator will pay to the Trustee its Pro Rata Share of the Contingent Fee, as set forth in **Section 6.3** below. Any and all Contingent Fees shall be paid by Operator and the City as and when provided hereunder, and in all events without set-off, deduction, credit, or discount.

#### **3.4.5 CFC Court Challenge.**

If all or any part of the CFC fails to survive a challenge in a court of competent jurisdiction, then the stricken portion(s) of the CFC will be replaced, as appropriate, with a Contingent Fee in an amount determined by the City in its sole discretion that is at least equal to the amount that would otherwise be provided by the CFC and sufficient to meet the applicable covenants under the Bond Documents. In the event all or any part of the CFC fails to survive a challenge in a court of competent jurisdiction, all references to the CFC in this Lease Agreement shall be interpreted to mean both the CFC and the Contingent Fee, or the Contingent Fee, as applicable.

#### **Section 3.5 REIMBURSEMENT OF CONTINGENT FEES.**

In the event Operator, all the other Operators, and the City contribute Contingent Fees during the Term of this Lease Agreement, such amount is eligible for reimbursement through CFC collections provided all the following conditions are met: (i) such reimbursement is allowed by Applicable Law; (ii) Operator is currently operating at the CONRAC and is not in default under the Lease Agreement or Concession Agreement; and (iii) all financing requirements of the Bond Documents that are superior in priority to the financing requirements for reimbursement of Contingent Fees are met. In the event all the aforementioned conditions are met, and funds are available in the Contingent Fee Reimbursement Account as determined in the CFC Report, the City and the Operator will be reimbursed, to the extent CFCs are available, for the amount of City's and Operator's prior contributed Contingent Fee. Such reimbursement will be proportionally given to the City and all Operators within the CONRAC who contributed Contingent Fee based on the City's and each individual Operator's proportion of the total Contingent Fee contributed by the City and all Operators. Such reimbursement will occur until Operator, other Operators, and the City are reimbursed the amount of its entire Contingent Fee contributed with no interest.

#### **Section 3.6 QUARTERLY CONSULTATIONS.**

The City will schedule a teleconference once each calendar quarter with the Operators to review such items as:

1. CFC data;
2. Deplaning passenger trends;
3. Ratio of deplaning passengers to Transaction Days;
4. CFC year-to-date collections;
5. Adequacy of the CFC proceeds to satisfy the current year CONRAC funding requirements per the Bond Documents;
6. Whether to implement a Contingent Fee to satisfy that year's CONRAC funding requirements;
7. Forecast of CFC proceeds for the remaining months of the current Lease Year and the

succeeding Lease Year;

8. The Facility Maintenance Fee amount, and
9. Use of other lawful CONRAC purposes funds in **Section 3.3** above.

**Section 3.7 SUBORDINATION TO BOND DOCUMENTS.**

This Lease Agreement and all rights of Operator hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by City to secure Bond financing. This Lease Agreement is subject and subordinate to the terms, covenants, and conditions of the Bond Documents authorizing the issuance of Bonds by the City to finance the development of the Facility or to refinance the Facility. City may amend or modify the Bond Documents or make any change thereto that does not materially adversely affect the Operators' rights and obligations under this Lease Agreement. Conflicts between this Lease Agreement and the Bond Documents shall be resolved in favor of the Bond Documents.

All definitional terms that are not specifically defined herein are to have the meanings set forth in the Bond Document.

END OF ARTICLE

## **ARTICLE 4 LEASE OF PREMISES**

### **Section 4.1 GRANT OF LEASED PREMISES.**

Subject to all of the terms, covenants and conditions contained in this Lease Agreement, as of the Commencement Date, the City hereby grants to Operator, and Operator hereby accepts from the City the following Leased Premises with respect to the CONRAC:

#### **4.1.1 Exclusive Use Premises.**

The City hereby grants to Operator the Exclusive Use Premises identified on **Exhibit D** attached hereto and by this reference made a part hereof, for the Term of this Lease Agreement. The Exclusive Use Premises shall initially be allocated, and are subject to reallocation, as set forth in **Article 11** of this Lease Agreement.

#### **4.1.2 Common Use Area.**

The City also hereby grants to Operator a non-exclusive right to use the Common Use Area as shown in the attached **Exhibit D** for the Term of this Lease Agreement. Notwithstanding the foregoing, certain of the Common Use Area, including QTA Equipment may be allocated to an Operator on a preferential basis during the Term of this Lease Agreement, subject to subsequent re-allocation as set forth herein.

As possession of the Leased Premises is delivered to Operator, as evidenced by written notice to Operator, which notice shall indicate the date upon which the Leased Premises are to be delivered to Operator, Operator shall promptly examine the Leased Premises. Unless Operator provides the City with written notice of: (i) any patent defect or problem in Operator's Leased Premises within ten (10) days of the date upon which possession of the Leased Premises is delivered to Operator, and (ii) any latent defect or problem in the Leased Premises within one hundred eighty (180) days of the date upon which possession of the Leased Premises is delivered to Operator, Operator shall have accepted the Leased Premises in their then-present condition, subject only to the applicable warranties provided by the City's contractor(s) and materials supplier(s). In the event that Operator provides the City with written notice of any defect as set forth above, the City shall promptly remedy any defect at its expense; provided, however, such expense shall be considered a Project Cost.

### **Section 4.2 AREAS RESERVED TO CITY.**

The City reserves to itself those portions of the Facility identified on **Exhibit D** (the Public Parking Area).

Notwithstanding anything to the contrary in this **Section 4.2**, the City agrees that it will not grant to a Non-RAC Concessionaire the right to engage in any concession within the CONRAC that will involve Off Airport rental car operators or the advertising of Off-Airport rental car operator or enterprises that compete directly with the Rental Car Concession and/or the advertising/or sale of goods and/or services reasonably incidental thereto. By way of example, and not limitation, the lease of global positioning devices, ski racks, and car seats shall be considered services reasonably incidental to the renting of vehicles. Furthermore, the City will make good faith efforts to ensure such Non-RAC Concessionaire signage and operation does not obstruct the line of site to Operators' counters.

### **Section 4.3 SUBSTANTIAL COMPLETION AND FINAL INSPECTIONS.**

Operator and the CONRAC Manager, and Operators' Technical Representative may participate with

the City in the Substantial Completion and final inspections associated with the construction of the CONRAC.

**Section 4.4 ACCEPTANCE OF LEASED PREMISES.**

The Operator's acceptance and occupancy of the Leased Premises on the Substantial Completion date for purposes of completing the Initial Tenant Improvements shall mean that Operator has accepted the Leased Premises in their then-present condition "as is, where is and with all faults."

END OF ARTICLE

## ARTICLE 5 TERM

### Section 5.1 TERM.

This Lease Agreement shall be effective and binding between the parties as of the Effective Date conditioned upon Operator then being a party in Good Standing to a Concession Agreement in effect with City. The Lease Term (“**Lease Term**”) shall commence on the Commencement Date and unless earlier terminated pursuant to the provisions of this Lease Agreement, shall extend until the last day of the twentieth (20<sup>th</sup>) Lease Year. “**Initial Lease Period**” means the period of time between DBO and the first Lease Year. “**Lease Year**” means each successive year during the Lease Term, beginning with the first Bond Year. The City shall use its best efforts to advise the Operators whether the Facility shall continue to be operated as a CONRAC at expiration of the Lease Term. In the event the City elects to cease operation of the CONRAC, the City shall cause all outstanding Bonds to be legally defeased, and the use of CFCs to fund the Bonds and other obligations set out in this Lease Agreement shall also cease upon expiration or termination of the Lease Agreement.

### Section 5.2 RENEWALS.

So long as the Operator is in Good Standing, subject to applicable notice and cure provisions, under this Lease Agreement and the Concession Agreement, if the City agrees, in its sole discretion, to extend the term of the Concession Agreement or to enter into a successor Concession Agreement with Operator, the Lease Term shall automatically be extended for the same term as the subsequent Concession Agreement.

### Section 5.3 TERMINATION UPON EXPIRATION OR TERMINATION OF CONCESSION AGREEMENT.

At expiration of Operator’s Concession Agreement without renewal or continuation by consent of City, or replacement by a successor agreement with the City authorizing Operator to operate its Rental Car Concession at the Airport, and upon any other termination of the Concession Agreement, this Lease Agreement shall terminate on ten (10) days’ written notice to Operator.

END OF ARTICLE

## ARTICLE 6 GROUND RENT AND OTHER FINANCIAL OBLIGATIONS

### Section 6.1 GROUND RENT.

For and in consideration of the rights granted by this Lease Agreement, the Operator shall, commencing on the DBO through and including the Initial Lease Period, and thereafter for the Lease Term, pay to the City its pro rata share of the Ground Rent. Ground Rent is general airport funds.

#### 6.1.1 Ground Rent and Apportionment.

The initial Ground Rent rate is One and Zero/Hundred Dollars (\$1.00) per square foot. **Exhibit F** shows the Ground Rent apportionment between the Public Parking Area and CONRAC. Also, it shows the apportionment of Ground Rent between the Operators.

The total Ground Rent for the Facility (Public Parking Area and CONRAC) shall be calculated by multiplying the Ground Rent rate per square foot times the total number of square feet in the Lease Site:

$$\text{Ground Rent rate/sq ft} \times \text{Lease Site total sq ft} = \text{Total Facility Ground Rent}$$

The Ground Rent will be allocated between the Public Parking Area and the CONRAC by dividing the total CONRAC square footage (of every kind) by the total Facility square footage to calculate the CONRAC percentage allocation of square footage. Then the CONRAC percentage allocation of square footage shall be multiplied by the total Facility Ground Rent to determine the amount of total CONRAC Ground Rent, as follows:

$$\begin{aligned} &\text{Total CONRAC sq ft} \div \text{total Facility sq ft} = \text{CONRAC \% allocation of sq ft} \\ &\quad \times \text{total Facility Ground Rent} = \text{total CONRAC Ground Rent} \end{aligned}$$

Each individual Operator's pro rata share of Ground Rent shall be calculated by dividing the square footage of Operator's Exclusive Use Premises in the Ready/Return Area by the total square footage of CONRAC Exclusive Use Premises in the Ready/Return:

$$\begin{aligned} &\text{Operator's Exclusive Use Premises sq ft} \div \text{total CONRAC Exclusive Use} \\ &\quad \text{Premises sq ft} = \text{Operator's pro rata share of Ground Rent} \end{aligned}$$

Finally, each Operator's Ground Rent shall be calculated by multiplying the Operator's pro rata Share of Ground Rent by the Total CONRAC Ground Rent:

$$\text{Operator pro rata share} \times \text{Total CONRAC Ground Rent} = \text{Operator Ground Rent.}$$

#### 6.1.2 Periodic Ground Rent Adjustment.

The Ground Rent will increase fifteen percent (15%) at the end of each five (5) year period over the Term of the Lease Agreement. The increased Ground Rent will take effect at the beginning of the sixth (6<sup>th</sup>) Lease Year and every five (5) years thereafter.

### **6.1.3 Payment of CONRAC Ground Rent.**

Each Operator shall pay its pro rata share of CONRAC Ground Rent in equal monthly amounts to the City in advance on the first day of each and every month during the Lease Term, without any prior demand, and without any abatement, deduction or setoff whatsoever, at the Remittance Address in **Article 7**.

If the DBO falls on any day other than the first day of a calendar month, Ground Rent for the first fractional month prior to the commencement of the Initial Lease Period shall be equivalent to the monthly amount to be paid for the first Lease Year prorated based upon the actual number of days in such fractional month.

## **Section 6.2 CUSTOMER FACILITY CHARGES.**

### **6.2.1 Collection Requirement.**

Operator shall collect a daily CFC on all Transactions with Airport Customers. The CFC shall be increased to \$5.00 per Transaction Day as of July 1, 2015. CFCs are collected and remitted by Operators to pay the debt service and other Bond Document requirements as consideration for use of the CONRAC. The CFC shall be separately identified on the Airport Customer's rental contract, and shall be described as the "Customer Facility Charge" or "CFC." Each Operator must collect the CFC for each Transaction, and must remit the full amount of the CFC to the City regardless of whether the full amount of such CFC is actually collected by the Operator from the Airport Customer. In the event the City elects to cease operation of the CONRAC, the use of CFCs to fund the obligations set out in this Lease Agreement shall also cease upon expiration or termination of the Lease Agreement.

### **6.2.2 CFC Proceeds Held in Trust.**

Operator agrees that the CFC is not income, revenue or any other asset of Operator, that Operator has no ownership or property interest in such CFCs, and that Operator hereby waives any claim to an equitable or ownership interest in the CFCs. Operator agrees that it holds such CFCs in trust for the benefit of the City, and that the City (or the Trustee) has complete possessory and ownership rights to such CFCs. Consistent with the nature of the CFC, as funds held in trust for the City, Operator shall separately account on its books and records for the CFC proceeds it collects. Notwithstanding the foregoing, in the event that either: (i) it is determined that the Operator must, as a matter of law, establish a separate account into which all CFC proceeds must be deposited, or (ii) it is determined, by a court of competent jurisdiction that the failure to maintain the CFC in a separate account imperils the trust nature of the relationship created by this **Section 6.2** and potentially subjects any CFC amounts held by Operator to the claim (or potential claim) by Operator's creditors, whether in bankruptcy or otherwise, then in that event, the City shall have the right to require Operator to establish a separate account into which all CFC proceeds collected shall be deposited, and all interest (if any) on the CFC proceeds held by Operator shall inure to the benefit of, and be payable to, the City.

Operator acknowledges the CFCs collected and held by the Operator are property in which the Operator only holds a possessory interest and not an equitable interest, and the Operator acknowledges that the CFCs collected by Operator are pledged as security for the Bonds. In order to secure payment of debt service on the Bonds, the Operator hereby consents to assignment by the City of the CFCs collected by the Operator to the Trustee.

### **6.2.3 Operator to Promptly Remit CFC Proceeds.**

Operator shall remit the CFC proceeds held by the Operator to the Trustee on a monthly basis on or

before the fifteenth (15<sup>th</sup>) day of each month following the month in which the CFCs were collected. The Operator shall remit the CFCs by check or by electronic funds transfer or other means specifically approved by the City in writing. When remitting such CFC proceeds to the Trustee, the Operator shall report and reconcile the CFC proceeds remitted on a form submitted to the City, and shall submit such additional information as may reasonably be necessary for the City to determine any matter related to the CFCs. A copy of the current report form required by the City is attached hereto as **Exhibit I**. Operator agrees that the City may revise the report form from time to time and that such revised form will be used once finalized. Further, the City reserves the right to make available an on-line electronic reporting system.

Operator agrees that City may release CFC data derived from the CFC remittance on a monthly basis to all Operators and to the CONRAC Manager, which information may be used by Operators and CONRAC Manager for purposes related to this Lease Agreement and the Concession Agreement.

#### **6.2.4 Records; Audits.**

Operator shall maintain records and controls which are sufficient to demonstrate the accuracy of the CFC proceeds collected by the Operator and the amount of CFC proceeds paid to the Trustee. Such records shall be maintained in accordance with, and subject to inspection and audit as set forth in **Article 8** of this Lease Agreement.

#### **6.2.5 Amount and Determination of the Customer Facility Charge.**

Subject to covenants made in connection with the issuance of any Bonds, including the Rate Covenant set forth in **Section 2.05** of the Indenture of Trust, the Aviation Director shall have the sole authority to determine adjustments to the amount of the CFC. The Parties acknowledge and agree that the City will set the CFC rate (when multiplied by the total projected annual number of Transaction Days) at a level sufficient to cover the payment obligations of the Bonds; the funding of all funds and accounts required by the Bond Documents; the Costs of the CFC Administration; an amount, as reasonably determined by the City, sufficient to fund the future projected costs associated with Major Maintenance and other costs of maintenance; and to reimburse City and Operators for outstanding Contingent Fees, based on the recommendation in the CFC Report. The City will consider reimbursement of Contingent Fees in the evaluation and analysis in setting the CFC rate with the intent to reimburse Operators for Contingent Fees paid in the Lease Year subsequent to the year in which such Contingent Fees were paid.

In setting the level of the CFC, the City will establish one or more reserve funds that it reasonably believes to be prudent to minimize significant year-over-year increases or decreases in the level of the CFC and/or meet future needs associated with the CONRAC (the CFC Renewal and Replacement Fund).

The Aviation Director shall regularly, and not less than annually, establish the level of the CFC and provide Operators not less than thirty (30) days advance written notice of any change in the anticipated CFC rate. Notwithstanding the foregoing, the Aviation Director shall have the right to make unscheduled adjustments to the level of the CFC in the event there has been a material change in any of the assumptions utilized in the City's calculation of the CFC.

#### **6.2.6 Review of CFC Report.**

At least 45 days prior to the end of each Bond Year, the City will finalize a budget for forecasted CFC

collections for purposes of paying the payment obligations on the Bonds, the other funding obligations required under the Bond Documents, and the Costs of CFC Administration. In addition, in the CFC Report, the City will provide an accounting of the amounts paid into and out of reserve funds established by the City, either as required by the Bond Documents or for payment of such items as Major Maintenance. The CFC Report will include the Contingent Fee Statement.

#### **6.2.7 Bond Documents Control.**

In the event of any conflict between this **Section 6.2** and the Bond Documents, the terms of the Bond Documents shall control.

#### **6.2.8 No Abatement or Offset.**

Under no circumstance, and notwithstanding any contrary language in this Lease Agreement, the Concession Agreement or otherwise, will Operator's obligation to collect and remit the CFC to the Trustee be subject to abatement, offset, or deduction. The Operator's obligation to collect and remit the CFCs to the Trustee shall be absolute and unconditional and shall continue in any event, including, without limitation, any damage or destruction subject to **Article 21** of this Lease Agreement or any termination of this Lease Agreement pursuant to **Article 24**, and in the event of such termination, the Operator continues to occupy, possess and use any portion of the CONRAC.

#### **6.2.9 No Diversion.**

Operator shall not, directly or indirectly, divert Airport Customers away from the CONRAC or assist any Airport Customer in avoiding payment of the CFC.

### **Section 6.3 REIMBURSABLE CITY COSTS.**

#### **6.3.1 Definition.**

It is the intention of the Parties to transfer day-to-day responsibility associated with the operations and maintenance of the CONRAC to the Operators. Nonetheless, there are certain costs and obligations associated with operation and maintenance the CONRAC that will, subject to a right of reimbursement to the City from the Operators, be undertaken by the City. The Operators shall reimburse the City those costs incurred by the City in connection with the operation, maintenance and repair of the CONRAC ("**Reimbursable City Costs**"), all as more specifically described in this **Section 6.3**.

Reimbursable City Costs specifically include the following: (i) the Utilities Costs for the Common Use Area, except to the extent billed to and paid by the CONRAC Manager; (ii) in the event that the City has assumed responsibility for the operation, maintenance and repair of the CONRAC as provided in **Section 15.7**, the actual cost of such operation, maintenance and repair (including a reasonable allocation of the City overhead), specifically including, but not limited to, the cost of a manager and associated support staff responsible for supervising the operation and management of the CONRAC (specifically including the Operators' compliance with the obligations imposed by the Lease Agreements); and (iii) any other cost or expense incurred by the City in connection with the Operators' operations on or occupation of the CONRAC.

#### **6.3.2 Payment.**

The City will invoice the Operators through the CONRAC Manager for Reimbursable City Costs as and when incurred, which invoice shall be due and payable at the Remittance Address no later than thirty (30) days from the date of the invoice. Each Operator shall be responsible for its Pro Rata Share of the Reimbursable City Cost.

END OF ARTICLE

## ARTICLE 7 REMITTANCE

### Section 7.1 REMITTANCE ADDRESS.

All non-electronic fund transfer payments required herein shall be tendered to:

City of San Antonio, Aviation Department  
Attn: Finance Division  
457 Sandau Road  
San Antonio, Texas 78216

(**“Remittance Address”**). The Remittance Address for payment may be changed at any time by the Aviation Director upon ten (10) days written notice to Operator and/or CONRAC Manager. Operator assumes all risk of lost payments if payments are made by mail.

### Section 7.2 LATE PAYMENT AND/OR LATE REPORTING FEES.

All rentals and payments unpaid for thirty (30) days after the date due shall bear interest at the rate of eighteen (18) percent per annum which interest shall accrue from the date due; however, in no event shall the interest rate charged exceed the maximum amount allowable by law. The fee for late reports required under this Lease Agreement shall be One Hundred Dollars (\$100.00) per month.

END OF ARTICLE

## **ARTICLE 8 ACCOUNTING PROCEDURES; AUDIT**

### **Section 8.1 ACCOUNTING PROCEDURES.**

Operator covenants and agrees that it will establish and maintain an accounting system (specifically including all books of account and records customarily used in the type of operation permitted by this Lease Agreement) in full and complete accordance with generally accepted accounting principles and otherwise reasonably satisfactory to the City for the determination of any and all sums owing by Operator under the Lease Agreement, including CFCs, Transactions, Transaction Days, and information necessary for verification of invoices and payments for any reimbursement requests, or other computations, or both, which may be necessary or essential in carrying out the terms of this Lease Agreement. Operator shall maintain its records relating to the operation permitted by this Lease Agreement for a period of at least three (3) years after the end of each Lease Year (or until the close of any ongoing audit thereof being conducted by, or on behalf of, the City); provided, however, that the City may (prior to the expiration of the relevant retention period) require that any such records be retained for a longer period of time, in which case Operator, at its option, may deliver such records into the custody of the City.

### **Section 8.2 AUDIT.**

#### **8.2.1 Inspection of Books and Records.**

The City shall be allowed to inspect and audit Operator's books of accounts and records with reference to the determination of any matters relevant to this Lease Agreement at all reasonable times, upon prior written notice to Operator. The City shall specifically be entitled to inspect and audit any records necessary to complete the audit in a manner consistent with generally accepted auditing principles. Operator agrees to provide appropriate workspace to conduct the audit and free access to copiers; fax machines and other needed office equipment. Operator shall provide contact information for Operator's accounting manager or the like who has a thorough knowledge of the accounting system as it pertains to this Lease Agreement and who will be available to the City during any such audit. The cost of such audit shall be borne by the City unless the results of such audit reveal a discrepancy of more than three percent (3%) for the CFC for any twelve (12) month audit period. In the event of such discrepancy, the full cost of the audit shall be borne by the Operator, and Operator shall promptly pay all additional fees owing to the City together with interest on such sums from the date originally due until the date paid.

#### **8.2.2 Books and Records Outside San Antonio Region.**

In the event that Operator's books and records are not maintained in the San Antonio region, they shall be made available for audit locally within twenty (20) business days of a written request by the City, or Operator shall pay in full any and all travel and related expenses incurred by the City to travel to the location outside the San Antonio region.

#### **8.2.3 Electronic Data.**

In those situations where Operator's records have been generated from computerized data (whether mainframe, minicomputer, or PC-based computer systems), Operator agrees to provide extracts of data files in a computer readable format on data disks, e-mail with attached files, or suitable alternative computer data exchange formats.

END OF ARTICLE

## ARTICLE 9 PERFORMANCE GUARANTEE

### Section 9.1 PERFORMANCE GUARANTEE.

Upon the DBO, the Operator shall deposit with City the sum equal to six (6) months' of estimated CFCs paid by the Operator to City and projected Ground Rent, to be held by City as security for Operator's full, faithful, and timely performance of its obligations under this Lease Agreement ("**Performance Guarantee**"). At least one-third of the Performance Guarantee shall be in the form of an irrevocable letter of credit. The remainder may be in the form of a surety bond, or other instrument satisfactory to the City. Notwithstanding the foregoing, Operator may provide an on-demand surety bond in the entire amount required for the Performance Guarantee.

The letter of credit, surety bond, or other instrument must be in a form, and drawn on a bank or financial institution, acceptable to the City, and must remain in effect throughout the term of this Lease Agreement whichever later terminates, and for a period of one hundred twenty (120) days thereafter. If a letter of credit, surety bond and/or instrument expires in accordance with its terms prior to such time, the Operator must provide a replacement letter of credit, surety bond and/or other instrument to City at least thirty (30) days before its expiration date.

#### 9.1.1 Performance Guarantee Periodic Increases.

As the fees and charges adjust during the term of this Lease Agreement, the City shall periodically review the adequacy of the Performance Guarantee, and may, by written notice to the Operator, increase the required amount of the Performance Guarantee. Such notice shall include a calculation of the revised Performance Guarantee, which shall not exceed six (6) months' total estimated CFCs, and Ground Rent due and payable by Operator under this Lease Agreement. The Operator shall, within twenty (20) business days of receipt of such written notice from City increasing the Performance Guarantee, deposit the additional amount with City by certified check, or supplemental letter of credit and/or surety bond or other instrument satisfactory to the City.

#### 9.1.2 Performance Guarantee Application and Replenishment.

City shall have the right, but not the obligation, to apply all or any part of the Performance Guarantee to cure any default of the Operator under this Lease Agreement, including, but not limited to, nonpayment of CFCs, Ground Rent, Contingent Fees, Reimbursable City Costs, property damage, and any other amounts due from the Operator under this Lease Agreement. In such event, the Operator must deposit with City an amount equal to the amount so applied by City within twenty (20) business days of written notice from City of the nature and amount of the application.

#### 9.1.3 Performance Guarantee Return.

The City shall return the Performance Guarantee to the Operator, less any amounts applied by the City under **Section 9.1.2** above, within one hundred twenty (120) days after the termination of this Lease Agreement, whichever later terminates.

END OF ARTICLE

## ARTICLE 10 USE

### Section 10.1 USE OF LEASED PREMISES.

#### 10.1.1 Generally.

Subject to Operator being awarded a Concession Agreement and otherwise subject to and in accordance with all present and future Legal Requirements and City Standards, Operator covenants and agrees that it shall use the Leased Premises solely for the purpose of operating a Rental Car Concession and for no other purpose or use. Operator shall not, under any circumstances, use the Leased Premises for performing vehicle maintenance or repair, excepting only car washing, cleaning, refueling, and Light Vehicle Maintenance. “**Light Vehicle Maintenance**” means the changing and rotation of tires, changing of belts, wiper blades, hoses and lamps, the changing of motor oil, oil filters and air filters, the flushing/changing of antifreeze/coolant or transmission fluid, changing/replacing windshields, replacing vehicle batteries, brake repair and maintenance (pads/rotors), and other minor repairs or replacements similar in nature and as approved by the Aviation Director. Any such activities must be conducted within QTA Space leased to Operator or such other area approved in writing by the Aviation Director, and, as to all such locations, in strict conformance with all of the requirements of this Lease Agreement. Operator also shall not, under any circumstance, use the Leased Premises for the retail sale of any vehicles, the storage of damaged vehicles, or any heavy vehicle maintenance or repairs. In addition, Operator may only provide rental car services and not provide ancillary business services in the CONRAC.

#### 10.1.2 Allowable Brands.

No more than thirteen (13) Brands shall be allowed to operate from the CONRAC at any given time during the Term of this Lease Agreement and the Concession Agreement. As of DBO, the Brands listed in the table below are authorized to operate from the CONRAC pursuant to the Concession Agreement during the Lease Term unless a change is allowed under **Section 11.5.1 – Vacated Space**, under **Article 27.2 – Assignment**, or at the end of a Term under the Concession Agreement:

<b>OPERATOR/FAMILY</b>	<b>BRAND</b>
Avis Budget Car Rental, LLC	Avis Rent A Car System, LLC
	Payless Rent A Car
The Hertz Corporation	Hertz
	Dollar Rent A Car
	Thrifty Car Rental
EAN Holdings, LLC	Enterprise Rent-A-Car
	Alamo Rent A Car
	National Car Rental
Satrac Inc dba Budget Rent A Car	Budget Car & Truck Rental
Advantage OPCO, LLC	Advantage Rent A Car
E-Z Rent A Car, Inc.	E-Z Rent-A-Car
Fox Rent A Car	Fox
Sixt Rent A Car, LLC	Sixt

With the Aviation Director's consent, this table may be modified from time to time as Brands are removed or added. An Operator shall be allowed to change to a new Brand. The Operator's previous Brand may continue to operate at the CONRAC regardless of whether divested from a Family, merged into a different Family, or as an independent Operator, so long as the Operator of such Brand is party to a Lease Agreement, Concession Agreement, and Operators Member Agreement, and the total number of Brands does not exceed thirteen (13). Operator shall be prohibited from operating at the Airports under any brand name or trade name other than the Brand name(s) or trade name(s) identified above and associated Car-Sharing programs. During the Term, Operator shall operate and maintain all signage only under the Brand or trade name(s) set forth above. No other brand or trade name shall be used or displayed by Operator at the Airports during the Term. Except as provided herein, the operation of multiple brand or trade names by Operator under this Lease Agreement is prohibited.

In the event an Operator operating multiple Brands divests a Brand, and that divested Brand desires to continue to operate in the CONRAC, the divested Brand shall be allocated space at the time of the divestiture within the divesting Operator's space. Any accommodations made between the divesting Operator and the divested Brand shall have no impact on any other Operator's space allocation nor shall any other Operator bear any expenses associated with such accommodations.

**10.1.3 Public Parking Prohibition.**

The Operators, through the CONRAC Manager, shall specifically police the CONRAC areas to ensure that the area is used solely for rental car concession operations and not for public parking.

**10.1.4 Employee Parking.**

Operator's employees may park at the Airport employees' parking lot at the then current fees and ride the bus, if available, to the Terminal area.

**10.1.5 Vendor Parking.**

Operator shall use those portions of the CONRAC (within the Common Use Area) identified for vendor parking solely for vendor parking in connection with the operation of a Rental Car Concession at the Airport. The Operators, through the CONRAC Manager, shall specifically police the vendor parking areas to ensure that the area is used solely for such purposes. The CONRAC Manager shall determine the method and manner by which access to the vendor parking area is granted and by which the vendor parking area is apportioned among the Operators.

**Section 10.2 GENERAL STANDARDS GOVERNING USE.**

Operator shall not use or occupy or permit the Leased Premises or any part thereof, nor do or permit anything to be done in or on the Leased Premises, in whole or in part, in a manner which would in any way (i) violate any then applicable Legal Requirements; (ii) violate any of the covenants, agreements, provisions and conditions of this Lease Agreement; (iii) violate the Certificate of Occupancy then in force with respect thereto; (iv) hinder either the City or Operator from obtaining fire or other insurance required hereunder; or (v) constitute a public or private nuisance. Operator specifically agrees to comply with all present or future rules and regulations of the City.

Operator shall not use or occupy or permit the Leased Premises to be used or occupied, in whole or in part, in a manner which, in the Aviation Director's reasonable judgment, may or tends to, impair or interfere with (i) the character, reputation or appearance of the CONRAC, the Leased Premises or the City; or (ii) the use of any other City property.

Operator shall not do or permit or suffer any waste, damages, disfigurement or injury to or upon the Leased Premises or any part thereof.

**Section 10.3 SIGNS.**

Operator's Rental Car Concession shall be clearly signed and designated at all times during the Term of this Lease Agreement with the Operator's identification and sufficient operational signage to ensure the safe and efficient operation of the Rental Car Concession. Such signage shall be the sole cost of Operator. Except as specifically permitted by **Exhibit B, Tenant Design Manual**, Operator shall not attach to or paint on or within the Leased Premises (including the walls, windows and doors thereof) any signs, banners, or other advertising matter, symbols, canopies or awnings. At the termination of this Lease Agreement, all signs, banners, advertising matter, symbols, canopies or awnings attached to or painted by Operator shall be removed by Operator at its expense, and Operator shall repair any damage or injury to the Leased Premises and correct any unsightly condition caused by the maintenance and removal of said signs. Operator shall not be permitted to advertise any products and/or services other than those of Operator connected to the operation of the Rental Car Concession; provided, however, with the prior written consent of the Aviation Director, Operator may display logos and features from third party product providers that Operator offers under a rental contract as part of its Rental Car Concession (e.g., Sirius Radio, etc.), subject to the prior approval of the Aviation Director. Notwithstanding the foregoing, customer wayfinding signage is not the responsibility of the individual Operator. After DBO, customer wayfinding signage is a CFC Eligible Routine Maintenance expense.

**Section 10.4 CONCESSION AGREEMENT.**

Notwithstanding anything to the contrary in this Lease Agreement, the Operator acknowledges it shall retain the right to occupy the Leased Premises for the Term of this Lease Agreement only if the Operator is awarded and maintains a valid Concession Agreement for the operation of a Rental Car Concession.

END OF ARTICLE

## ARTICLE 11 INITIAL ALLOCATION AND REALLOCATION

### Section 11.1 INITIAL ALLOCATION.

**Exhibit E**, attached hereto and by this reference made a part hereof, shows the space to be allocated among the Operators within the CONRAC on the Effective Date (“**Initial Allocation**”). This allocation is based on Market Share by Operator or Family of rental car Brands. Each Operator, regardless of Market Share, shall be entitled to a minimum allocation of one percent (1%) of the total square footage of Ready/Return Area.

### Section 11.2 SUBSEQUENT REALLOCATION.

The methodology for reallocation of Operator’s Ready/Return Areas shall be based upon Market Share and subject to the provisions of this subsection. Suggested reallocation layouts will be identified and presented to the Aviation Director for approval. Such submission should indicate whether the Operators unanimously agreed with the allocation. The Aviation Director reserves the right, in the Aviation Director’s sole discretion, to adjust any reallocations to achieve the best overall operational efficiency and enhancement to the level of customer service within the CONRAC. Reallocation of the areas shall take place as follows:

1. Covered Ready/Return Areas and Overflow Parking Areas shall be subject to annual reallocation among the Operators, if triggered pursuant to this Section 11.2, based upon each Operator’s Market Share at the end of each Lease Year. Any reallocations resulting from Market Share changes in Lease Years 1 through 3 shall be effectuated only on the Overflow Parking Area as set out herein. Beginning with the Market Share changes in Lease Year 4, reallocations may be made in the Covered Ready/Return Areas and the Overflow Parking Area in accordance with this Section 11.2.
2. Minimum Allocations – New Entrants: Any New Entrant shall maintain their original space allocation in the Ready/Return Area unless a reallocation is triggered due to an increase in New Entrant’s Market Share as set out below.
3. Reallocation shall be triggered at the end of Lease Years 1 through 3 if any Operator demonstrates at the end of any such Lease Year at least a one percent (1%) increase in Market Share as compared to said Operator’s initial Market Share at DBO (i.e., if at DBO an Operator has five percent (5%) of Market Share, then that Operator’s share must increase by one percent (1%), totaling six percent (6%) of Market Share to trigger an annual reallocation). Notwithstanding the foregoing, to be eligible for additional Ready/Return Area space, any New Entrant must achieve a Market Share of four percent (4%), or one percent (1%) Market Share over the lowest non-New Entrant Market Share Operator on that floor, whichever percentage is lower. If triggered, at the end of each of the first two (2) Lease Years, any increases and/or decreases in Ready/Return Area spaces shall be reallocated from space in the Overflow Parking Area after under-allocated Operators are made whole (as per Subsection 6 below).

4. Beginning with Lease Year 4, and annually thereafter, re-allocation due to any increases and/or decreases in Market Share may be taken on that Operator's Covered Ready/Return Area floor if space is available. This reallocation shall be triggered if an Operator demonstrates at the end of any Lease Year, beginning with Lease Year 4, a two percent (2%) increase in Market Share (i.e., if at DBO an Operator has five percent (5%) Market Share, then that Operator's Market Share must increase by two percent (2%), totaling seven percent (7%) Market Share to trigger this re-allocation). Notwithstanding the foregoing, any New Entrant must achieve Market Share of four percent (4%), or two percent (2%) Market Share over the lowest non-New Entrant Market Share Operator on that floor, whichever percentage is lower.
5. In the event an increase is warranted and space is not available on the Operator's Covered Ready/Return Area floor, space shall be allocated in the Overflow Parking Area to make that Operator whole to its full Market Share square footage.
6. Overflow Parking Areas will be allocated in increments of full rows and in the following manner: (i) first, to any Operator whose Market Share total of Ready/Return Area square footage on the Ready/Return Area floor is unavailable on said Operator's Covered Ready/Return floor; (ii) second, to each New Entrant in a minimum of one (1) row each; (iii), third, after those under-allocated Operators are made whole to their full Market Share square footage and the New Entrants are allocated one row each, the remaining Overflow Parking Area square footage will be allocated to all Operators, including those who received Overflow Parking Area space to make them whole to their Market Share. However, any Operator who is allocated more than its Market Share equivalent of Ready/Return Area square footage on its Covered Ready/Return Area floor shall have its allocation of Overflow Parking Area reduced by the percentage of Ready/Return Area allocation that exceeds its Market Share. Each New Entrants will maintain its minimum allocation until it merits Market Share reallocation.
7. An Operator which is entitled to additional square footage per the reallocation process shall have the right to decline such reallocation, provided that such failure to accept the reallocated square footage does not negatively impact any other Operators which are also entitled to reallocated square footage during the same Lease Year.

### **Section 11.3 SUBSEQUENT RELOCATION OF FLOOR.**

1. No relocation of an Operator's initial Covered Ready/Return Area floor shall occur unless the Market Share of the Operators, excluding New Entrants, of any one Covered Ready/Return Area floor falls by at least twenty percent (20%) of its previous Lease Year's Market Share. In the event such a decrease in Market Share occurs, then any Operator on another Ready/Return Area floor which has gained twenty percent (20%) Market Share over its prior Lease Year's Market Share, shall have the right, but not the obligation, to request a relocation of said Operator's entire Ready/Return Area parking to the Covered Ready/Return Area floor on which the Operator incurring a twenty percent (20%) decrease in Market Share is located. The

Operator initiating such floor relocation is the “**Initiating Operator.**” In no event shall any Operator be allocated Covered Ready/Return Area space on more than one Covered Ready/Return Area floor.

2. The Operators affected by any change of Ready/Return Area floors may work with each other to develop an alternate plan for Ready/Return Area floor changes which, to the greatest extent possible, shall achieve the same effect as changing floors. In the event the affected Operators cannot agree on an acceptable alternate plan, they shall request the Aviation Director, using the priorities and the criteria listed in the foregoing paragraphs, to relocate Operator(s) from one floor to another floor with the least amount of operational disruption.
3. All costs incurred for any relocation of Ready/Return Area floors shall be borne entirely by the Initiating Operator, inclusive of all costs incurred to reallocate or relocate any Operator(s) currently operating on a floor impacted by such relocation.

#### **Section 11.4 QUICK TURN AROUND FACILITIES (QTAS)**

Reallocation of Ready/Return Area spaces does not trigger reallocation of QTAs, unless relocation of floors is triggered as set forth in **Section 11.3** above. Operator’s assigned QTA area shall be on the same floor as their Covered Ready/Return Area.

#### **Section 11.5 COUNTERS AND BACK OFFICES**

Except for vacancy as specifically set forth in this Agreement, the counters and back office spaces are not subject to reallocation during the Term.

#### **Section 11.6 REALLOCATION PROCESS.**

Operator agrees to coordinate relocation and relocate to its newly designated assigned areas with other Operators involved in the relocation within the timeframe set forth in the Final Notice issued under this Section 11.6. Not later than sixty (60) days prior to a reallocation, Operators will submit through the CONRAC Manager a “Notice of Intent” letter indicating the Operators’ proposed reallocation. If the Operators do not timely provide the Notice of Intent regarding reallocation, the City will either keep the current reallocation of space or will issue its own reallocation notice. If timely received, the City will consider the Operators’ proposed reallocation, and will issue a “Final Notice” of reallocation. An Operator losing space shall vacate the space being reallocated within thirty (30) days of receipt of the Final Notice. The Aviation Director shall have the final and sole discretion as to allocation and may reallocate all or a portion of any Operator’s Leased Premises. The Operators may request consideration by the City of reallocation times not identified specifically.

#### **Section 11.7 COSTS OF REALLOCATION/RELOCATION**

Except for floor relocation under **Section 11.3** above, each Operator will be responsible for its own costs incurred as a result of any reallocation. In the event of shared improvements among Operators, the costs of those shared improvements shall be equally allocated among those Operators sharing such improvements.

**Section 11.8 EARLY TERMINATION OF RENTAL CAR CONCESSION.**

In the event that the Lease Agreement and Concession Agreement for a particular Operator are terminated, the City has the right and shall reallocate the vacated Exclusive Use Premises as follows:

**11.8.1 Vacated Space.**

The City shall determine whether there are any New Entrants potentially interested in the vacated space or any smaller space within the CONRAC. The City shall then determine which Operators would be interested in some or all of the vacated space. Depending on the degree of interest by potential New Entrants and current Operators, the City, in its sole discretion, will determine how best to reallocate the vacated space considering the current Operators, their locations and Market Shares, any potential New Entrants and their likely Market Shares, and the efficiency and effective operation of the CONRAC. The City will base its determination on the following criteria: (i) enhancement of Airport rental car revenue; (ii) improving operational efficiency of the CONRAC; (iii) incumbent Operator demand; and (iv) demand from new market entrants.

City, at its discretion, will make vacated space available to New Entrants in accordance with appropriate public processes. New Entrants shall operate under the same terms and conditions as the then-current Lease Agreement, Concession Agreement, and Operators Member Agreement.

**11.8.2 Reallocation Costs.**

The costs associated with reallocation following termination of a particular Operator's Lease Agreement shall be borne by the relocating Operator or New Entrant.

END OF ARTICLE

## ARTICLE 12 ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

### Section 12.1 ALTERATIONS.

After completion of the Initial Tenant Improvements pursuant to **Section 2.2**, Operator shall not make any changes, alterations, additions, substitutions or improvements (collectively referred to as “**Alterations**”) to or upon the Leased Premises without first obtaining the Aviation Director’s prior written approval of such Alteration and subject to any and all conditions in such approval which approval shall not be unreasonably withheld. Operator shall otherwise comply with the design, construction and opening processes attached hereto as **Exhibit B**, attached hereto and by this reference, in connection with Operator’s design and construction of any such Alteration. Any Alteration shall be performed (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements and the City Standards; and (iii) in a manner that will not unreasonably interfere with or disturb City, its tenants, or other users of the CONRAC and Airport.

### Section 12.2 CITY REVIEW DOES NOT RELIEVE OPERATOR.

Operator agrees that nothing in the City’s review or approval of Operator’s Alterations shall create responsibility or liability on the part of the City for their completeness, design sufficiency, or compliance with all Legal Requirements or the City Standards, all of which shall be Operator’s sole responsibility. Nor shall such review or approval constitute a waiver by the City of the right to thereafter require Operator to correct any failure by Operator to comply with any Legal Requirements or the City Standards later discovered by the City.

### Section 12.3 “AS-BUILT” DOCUMENTS.

Operator shall deliver to the City, ninety (90) days after project completion, complete “as built” drawings of any Alterations in electronic format and three (3) half-size hard copies, in a commercially reasonable format as determined by and acceptable to the City. For any equipment installed, Operator shall deliver to the City, two (2) copies of the complete operations and maintenance manuals and all warranties.

### Section 12.4 TRADE FIXTURES.

Except to the extent repairs or substitutions have been made or provided by the City, Operator shall retain ownership of: (i) all trade fixtures and business equipment and furnishings from time to time installed by Operator at its expense (including Operator’s rental booths); and (ii) all Alterations and/or improvements that Operator is required to remove at the end of this Lease Agreement pursuant to **Section ----**. Operator may remove any of such fixtures, equipment or furnishings at any time during the Lease Term and shall remove all from the Leased Premises prior to the expiration of the Lease Term, provided incoming operator does not want to purchase the improvements from existing Operator. Operator cannot remove any trade fixtures affixed to the Leased Premises without the written consent of the Aviation Director, which consent shall not be unreasonably withheld. Any such property not removed at the expiration of the Lease Term shall, at the election of the City, become the property of the City without payment to Operator, or shall be deemed abandoned and removed or disposed of by the City at Operator’s expense. Upon Operator’s removal of such property, Operator shall promptly repair any and all damage to the Leased Premises caused thereby and shall reimburse

the City for costs and expenses incurred by the City in removing any such property not removed by Operator and repairing any such damage not repaired by Operator. This covenant shall survive the termination of this Lease Agreement.

END OF ARTICLE

## **ARTICLE 13 REAL AND PERSONAL PROPERTY TAXES**

### **Section 13.1 TAXES.**

Subject to Operator's right to protest to the taxing authority or the amount, this Lease Agreement may result in a taxable possessory interest and be subject to the payment of property taxes. Operator shall be responsible for payment of, before delinquency, all taxes and assessments of any kind, including any possessory interest taxes, assessed or levied upon Operator or the Leased Premises by reason of this Lease Agreement or of any buildings, machines, vehicles, or other improvements of any nature whatsoever erected, installed, or maintained by Operator or the City by reason of the business or other activities of Operator upon or in connection with the Leased Premises.

### **Section 13.2 LICENSES AND PERMITS.**

The Operator shall be solely responsible for payment or any fees imposed by law for licenses or permits for any business or activities of the Operator upon the Leased Premises or under this Lease Agreement.

END OF ARTICLE

## ARTICLE 14 CONRAC MANAGEMENT CONTRACT

The Operators and each Operator shall, whether through a joint venture agreement, participation agreement, limited liability company agreement or any combination thereof through which all Operators are parties, enter into a CONRAC Management Contract with a financially responsible, experienced CONRAC Manager for the operation, maintenance and repair of the Exclusive Use Premises and Common Use Area (but specifically excluding the City-operated Public Parking Area of the Facility).

### Section 14.1 CITY CONSENT.

The identity of the CONRAC Manager, both the firm and the individual site manager, shall be subject to the written acceptance by City, which acceptance shall not be unreasonably withheld. In order to involve the CONRAC Manager in the commissioning of the CONRAC and pre-final and final inspections, the Operators shall retain and have available the CONRAC Manager no later than one hundred eighty (180) days before the DBO.

The Operators shall submit to the City a copy of the CONRAC Management Contract. The CONRAC Management Contract shall: (i) be consistent with the provisions of this Lease Agreement; (ii) be consistent with operating agreements customary in airport consolidated rental car facilities management industry and fuel facilities management industry; (iii) provide that the Common Use Area and Fuel Facilities be managed subject to and in accordance with the terms of this Lease Agreement; (iv) require the CONRAC Manager and Operators to defend and indemnify the City from any damages, claims or the like resulting from the CONRAC Manager's acts or omissions; (v) require the CONRAC Manager to procure insurance, as applicable, of like kind and amount required of the Operator as set forth in this Lease Agreement and to cause the City and the Operators to be named an additional insured under such policies; (vi) not be cancelled or terminated without prior written notice to the City; (vii) be assumed by the City at its option in the event of a default beyond any applicable notice and cure periods by the Operators or by CONRAC Manager thereunder; (viii) provide for the management and maintenance of Fuel Facilities and areas and systems and the allocation of such costs among Operators; (ix) require the CONRAC Manager to maintain a training program and conduct proper reporting, testing, and inspections of the Fuel Facilities; and (x) require the CONRAC Manager to abide by and follow City Codes and City Standards, including rules relating to the Airport, all applicable Environmental Laws, laws and regulations relating to safety and security and all requirements of this Lease Agreement, the Concession Agreement, Applicable Laws and any other Legal Requirements.

The contract between the Operators and the CONRAC Manager shall specifically bind the CONRAC Manager to those obligations to be performed by the CONRAC Manager or the Operator or Operators through the CONRAC Manager under this Lease Agreement, and the City shall specifically be a third-party beneficiary of any such terms. The CONRAC Manager shall have (i) significant experience in the management and operation of commercial fueling facilities similar in nature and scale to the Fuel Facilities in the Facility in a competent and professional manner in accordance with operating standards and policies standard in the industry and with a proven track record of successful, environmentally compliant operations; and (ii) the financial strength and management competency, with personnel having appropriate experience, to operate, maintain, manage and repair the Fuel Facilities. The CONRAC Management Contract shall require that the CONRAC Manager have a representative on-call at the CONRAC at all times, that is, twenty-four (24) hours per

day, seven (7) days per week.

**Section 14.2 CONRAC MANAGER CHANGE PROCEDURE.**

The Operators and each Operator shall, not less than one hundred twenty (120) days before the Commencement Date and ninety (90) days before any date on which Operators would intend to change the identity of, or terms of any contract with, the CONRAC Manager, submit to the Aviation Director for his review any such information as the City may reasonably request regarding the experience, financial strength and/or operational plan associated with any such CONRAC Manager and a complete copy (including all exhibits) of any proposed contract(s) between the Operators and the CONRAC Manager. The Operators should also notify the Aviation Director of any change of the assigned representative for the CONRAC Manager.

**Section 14.3 PERFORMANCE STANDARDS.**

The CONRAC Manager, on behalf of the Operators, shall be responsible for performing all CONRAC Major Maintenance and CONRAC Routine Maintenance: (i) in conformance with all Legal Requirements, the City Standards and the Operations Manual; (ii) using quality materials at least equal to the original, and, if materially changed from the original, shall be subject to the prior written approval of the City; (iii) using only qualified personnel; and (iv) in a good and workmanlike manner, adhering to the highest standards of quality.

**Section 14.4 ANNUAL CONRAC BUDGET.**

The CONRAC Manager will prepare and submit to City and Operators by April 1<sup>st</sup> of each year, an itemized budget detailing expected CONRAC Routine Maintenance Costs for the Initial Lease Period and first Lease Year and projected Major Maintenance for the first three (3) Lease Years of the Term. Both the proposed budget and the final Aviation Director approved budget for the period(s) contemplated herein shall include a statement of (i) the dollar amount to be requested as a disbursement from the CFC Renewal and Replacement Fund for projected CONRAC Major Maintenance in accordance with the Bond Documents; (ii) the dollar amount to be requested as disbursement from the Routine Maintenance Reimbursement Account for projected CFC Eligible Routine Maintenance in accordance with the Bond Documents; and (iii) the dollar amount projected for CFC Non-Eligible Routine Maintenance. The procedure for development, review and approval of the budget for the subsequent Lease Years, as well as for adjustment of a budget during a Lease Year, if necessary, shall be stated in the Operators Member Agreement.

Further, during the Initial Lease Period and during each Lease Year, as a part of the CONRAC budget review process, the City shall calculate the per Transaction Day Facility Maintenance Fee rate based on the CONRAC Manager's proposed budget as approved by the Aviation Director. The Facility Maintenance Fee, which fee is imposed by the City, shall be charged by the Operators to recover the costs of CFC Non-Eligible Routine Maintenance and the costs of CFC Eligible Routine Maintenance, if any, for which CFC funds are not available. The Operators shall collect and remit the Facility Maintenance Fee to the CONRAC Manager on a monthly basis pursuant to the Operators' Member Agreement. The Facility Maintenance Fee rate will be expressed as a per Transaction Day fee on each vehicle rental contract, which contract shall separately list and will be labeled "Facility Maintenance Fee." At mid-year during each Lease Year, the Aviation Director shall review the current CONRAC budget and projected expenses, and, if warranted, the Aviation Director may increase the Facility Maintenance Fee in order to meet budgeted requirements.

**Section 14.5 FAILURE TO PAY MANAGER.**

Operator shall, in a timely fashion, pay all amounts due from Operator under CONRAC Management Contract, and otherwise adhere to all covenants, conditions, or agreements to be observed or performed by Operator in the CONRAC Management Contract. Operator specifically agrees that any failure to pay such amounts or observe such covenants, conditions or agreements, resulting in a default under the Operators Member Agreement, shall be a default under this Lease Agreement.

END OF ARTICLE

## **ARTICLE 15 FACILITY OPERATION AND MAINTENANCE**

### **Section 15.1 MAJOR MAINTENANCE.**

There are two (2) categories of Major Maintenance: (i) Facility Major Maintenance and (ii) CONRAC Major Maintenance.

### **Section 15.2 FACILITY MAJOR MAINTENANCE.**

The City will perform Major Maintenance that pertains to the Facility and the Lease Site in its entirety (“**Facility Major Maintenance**”). The City will pay such costs directly from the CFC Renewal and Replacement Fund. When the City undertakes such work, it shall so notify Operator(s) and will proceed diligently to complete such work.

### **Section 15.3 CONRAC MAJOR MAINTENANCE.**

The Operator, together with other Operators, through the CONRAC Manager, will perform CONRAC Major Maintenance (“**CONRAC Major Maintenance**”). The CONRAC Major Maintenance to be performed by the Operator(s) must be approved in writing, in advance, by the Aviation Director in order to be reimbursed, which approval will indicate the availability of funds. When such work is undertaken, the CONRAC Manager shall so notify City and will proceed diligently to complete such work. The CONRAC Manager shall submit invoices to the City for approval, and, once approved, the City will forward invoices to the Trustee for payment. In the event of a shortfall in the Major Maintenance Account, the Operators will pay to the CONRAC Manager their Pro Rata Share of that shortfall. The Operators’ payment to the CONRAC Manager for the actual cost of CONRAC Major Maintenance will be reimbursed from available funds in the CFC Renewal and Replacement Fund if, as, and when Major Maintenance is performed.

### **Section 15.4 MAJOR MAINTENANCE FUNDING.**

Major Maintenance, whether performed by City or Operators, will be funded from the CFC Renewal and Replacement Fund. CFC Renewal and Replacement Fund requirements will be included in the calculation of the daily Customer Facility Charge rate per Transaction Day. If sufficient funds are not available in the CFC Renewal and Replacement Fund, Aviation Director may transfer funds from the CFC Surplus Fund. If funds are not transferred from the CFC Surplus Fund and a shortfall still exists, it is the obligation of the Operators to pay the costs of CONRAC Major Maintenance, and it is the obligation of the City and Operators together to pay the cost of Facility Major Maintenance. Operator(s) shall pay City (including a reasonable charge for City’s administrative costs) for Operator’s Pro Rata Share of the unfunded cost of Facility Major Maintenance for each Lease Year. The Operators’ share of the Facility Major Maintenance will be based on the apportionment between the City and the Operators determined in **Section 6.1.1**. As funds are available, the City and/or Operators shall be reimbursed for payments made for Major Maintenance from the CFC Renewal and Replacement Fund until the City and Operators are completely reimbursed.

### **Section 15.5 ROUTINE MAINTENANCE.**

The CONRAC Manager, on behalf of the Operator, will perform all CONRAC Routine Maintenance using the CFC Eligible Routine Maintenance Account or the Facilities Maintenance Fee. Any shortfall will require adjustments to the Facility Maintenance Fee or additional payments by the Operators, if the Facility Maintenance Fee is insufficient.

### **Section 15.6 CATEGORIES OF CONRAC ROUTINE MAINTENANCE.**

There are two categories of CONRAC Routine Maintenance: (i) CFC Eligible Routine Maintenance and (ii) Non-CFC Eligible Routine Maintenance.

#### **15.6.1 CFC Eligible Routine Maintenance.**

CFC Eligible Routine Maintenance, as defined herein, will be the obligation of and paid for by the Operators through the CONRAC Manager. CFC Eligible Routine Maintenance (“**CFC Eligible Routine Maintenance**”), means the following Routine Maintenance: maintenance of the Facility’s vertical circulation (elevators and escalators); janitorial services, Utilities Costs, and maintenance in the public view areas of the Customer Service Center; CONRAC wayfinding signage after the initial wayfinding signage included in Project Costs; and CONRAC’s percentage allocation (based on **Section 6.1.1**) of Routine Maintenance and replacement thereof for expenses incurred by the City on the entire Facility, including but not limited to, maintenance of the exterior of the CONRAC, including landscaping, finishes and lighting. The Operators may be reimbursed for CFC Eligible Routine Maintenance expenses subject to the availability of funds in the Routine Maintenance Reimbursement Account in the CFC Surplus Fund, pursuant to **Section 3.3** subparagraph 8.

#### **15.6.2 Non-CFC Eligible Routine Maintenance.**

“**Non-CFC Eligible Routine Maintenance**” means the costs of Routine Maintenance not included in **Section 15.3.1**. Non-CFC Eligible Routine Maintenance will be the obligation of the Operators, through the CONRAC Manager, and will be paid for by the Operators from the Facility Maintenance Fee, or additional payments by Operators, if the Facility Maintenance Fee is insufficient.

#### **Section 15.7 RENEWALS AND REPLACEMENTS.**

The foreseeable and unforeseeable Facility, CONRAC, and QTA renewal and replacement requirements will be funded from the CFC Renewal and Replacement Fund.

#### **Section 15.8 CITY SERVICES COST RECOVERY.**

The City may perform, but shall not be obligated to perform, any maintenance, repairs or restoration work that is the Operators’, or any particular Operator’s, responsibility, if requested to do so in writing by the Operators or any specific Operator. In the event the City performs such work, the Operator(s) or CONRAC Manager requesting the work shall pay for such work (specifically including a reasonable allocation for City administrative costs) within thirty (30) days of invoice by the City. Interest shall accrue on all unpaid sums.

In the event that the City incurs or otherwise pays any costs or expenses for maintenance or services that are otherwise required to be performed by the Operators through the CONRAC Manager, the City shall have the right to reimbursement from the Operator(s) through the CONRAC Manager, who shall pay the City for any such costs directly on such payment terms as the City otherwise generally extends to the Operators or other tenants on or about the Airport.

#### **Section 15.9 OPERATIONS AND MAINTENANCE MANUAL.**

The Operators shall, through the CONRAC Manager, prepare or have prepared an operations and maintenance manual (“**Operations Manual**”) that addresses the operation, maintenance and repair of the CONRAC. The Operations Manual shall be submitted to the Aviation Director for review and shall be updated as needed, to address the City’s, CONRAC Manager’s, the Operators’ and each Operator’s operations and practices. The Operations Manual shall: (i) be consistent with the City Standards ; (ii) be provided to the City at least sixty (60) days before the DBO or not more than thirty (30) days after any update; (iii) be prepared in coordination with City staff; (iv) with respect to any

equipment located in, on or about the CONRAC, be consistent with warranty requirements, manufacturer's recommendations and Best Management Practices approved by the City; (v) be consistent with all Legal Requirements; (vi) be consistent with the Storm Water Pollution Prevention Plan and Spill Prevention Control and Countermeasures Plan; (vii) be updated to address future changes in CONRAC activities or facilities; (viii) adhere to and be consistent with all environmental requirements set out in this Lease Agreement; (ix) shall include the requirements for operations of the Fuel Facilities as required under **Section 20.6.2**; and (x) be consistent with Environmental Law. The Operations Manual shall be included as **Exhibit J** to this Lease Agreement, when completed, and as amended from time to time.

**Section 15.10 FAILURE OF THE OPERATORS TO PERFORM REQUIRED MAINTENANCE.**

In the event the Operators, through the CONRAC Manager, or any individual Operator, fail: (i) to commence, within thirty (30) days after written notice from the City, any maintenance or repair work to the CONRAC required to be done under the provisions of this Lease Agreement; (ii) to commence such work within a period of ninety (90) days if such notice specifies that the work to be accomplished involves preventive maintenance only; or (iii) to diligently continue to completion any such work as required under this Lease Agreement; then the City may, at its option, and in addition to any other remedies which may be available to it, enter the CONRAC (without such entering causing or constituting a cancellation of this Lease Agreement or an interference with Operator's possession of the Leased Premises), and repair, maintain, replace, or rebuild all or any part of the CONRAC and do all things reasonably necessary to accomplish the work required, and the cost and expense (specifically including an allocation of City administrative costs in a reasonable amount) shall be payable to the City by the Operators, each in accordance with its respective Pro Rata Share, or the respective Operator, if the responsibility of only one Operator, on written demand; provided, however, if, in the reasonable opinion of the Aviation Director, the failure to perform any such repair or maintenance endangers the safety of the public, the employees or other tenants at the Airport, and the City so states same in its notice to the Operator(s), the City may perform such maintenance at any time after the giving of such notice.

**15.10.1 No Obligation.**

Should the City, its officers, employees, agents, or contractors undertake any work pursuant to **Section 15.7** above, the Operators hereby waive any claim for damages, consequential or otherwise, as a result of undertaking such work. The foregoing shall in no way affect or alter the primary obligations of Operators as set forth in this Lease Agreement, and shall not impose or be construed to impose upon the City any obligation to maintain the CONRAC, unless otherwise specifically provided in this Lease Agreement.

**15.10.2 No Abatement.**

If this Article imposes upon the City an obligation, or otherwise provides to the City a right of repair or maintenance, the City will perform any such repair or maintenance work called to its attention within a reasonable period of time after receipt of such notice by the City. There shall be no abatement or reduction of any financial or other obligation of Operator, Operators or CONRAC Manager under this Lease Agreement or the Concession Agreement by reason of the City's making repairs, alterations and/or improvements to the CONRAC, or otherwise.

**15.10.3 Right to Assume Maintenance.**

In the event that the City issues three (3) or more notices under **Section 15.7** above within an eighteen

(18) month period, the City shall have the right (but not the obligation) to assume responsibility for the repair and maintenance of the CONRAC or so much of it, whether Common Use Area, Exclusive Use Premises, or otherwise, by issuing notice to the affected Operator or Operators indicating its intent to, until further notice, assume responsibility for such repair and maintenance. Such notice must be issued within one hundred twenty (120) days of the issuance of the third (or any subsequent) notice under **Section 15.7** above. In such event, all costs associated with the repair and maintenance shall be the responsibility of the affected Operator(s). The City shall have the right, on sixty (60) days' notice to the affected Operator or Operators, to require the Operator(s) to resume responsibility for repair and maintenance as set forth in this Article.

#### **15.10.4 Repair Required as Result of Neglect.**

To the extent that repairs made by the City pursuant to this Article are required by reason of the neglect, carelessness or misuse of any particular Operator, its employees, agents, invitees, licensees, or contractors, the City shall perform such repairs at such Operator's cost and expense. Operator shall pay for such work (specifically including a reasonable allocation for the City overhead) within thirty (30) days of invoice by the City. Interest shall accrue on all unpaid sums.

#### **15.10.5 No Responsibility to CONRAC Manager.**

In the event that the City exercises any right or performs an obligation under this **Section 15.7**, the City shall have absolutely no responsibility or liability to the CONRAC Manager. In the event that the City elects to assume responsibility for maintenance as allowed by **Section 15.7.3**, the City shall, notwithstanding any contrary term of the CONRAC Management Contract, specifically have the right to direct the CONRAC Manager to vacate the CONRAC.

#### **15.10.6 Damage and Destruction.**

In addition to, and not in lieu of, any requirement set forth in this Article, the City shall also have the obligation of restoration and repair as set forth more specifically in **Article 21**, but limited to insurance proceeds or CFCs.

#### **Section 15.11 QUARTERLY CONDITION SURVEYS.**

The City and the CONRAC Manager shall conduct an inspection of the CONRAC quarterly to observe and note the condition, cleanliness, and existing damage to the CONRAC, and to determine repairs and maintenance required to be performed. Not less than fourteen (14) days before a scheduled inspection, the Operators, through the CONRAC Manager, shall prepare a report documenting the preventive and corrective maintenance actions planned and performed during the prior quarter. Notwithstanding the foregoing, the Operators shall not be required to participate in the quarterly inspections so long as each Operator who elects not to participate vests the CONRAC Manager with authority to address the matters to be reviewed during the scheduled inspection. The report shall be provided in both hardcopy and electronic forms, with the electronic forms in Microsoft Office or other format reasonably specified or approved by the Aviation Director for import into the City's maintenance management software. In the event of any dispute regarding those repairs and maintenance required to be performed, the Aviation Director's decision shall be final. Responsibility for repairing any problems or defects noted shall be as provided in this Article.

#### **Section 15.12 ENGINEER'S REPORT.**

Once every two (2) years the City shall retain an independent engineer, qualified to conduct facilities inspections, for the purpose of inspecting the CONRAC. The engineer shall conduct an inspection of the CONRAC, including but not limited to structural and mechanical assessments, and the Facility, to observe and document the condition of the CONRAC and its systems and equipment and identify existing damage to the CONRAC and to determine repairs and maintenance required to be performed. The engineer's finding will be memorialized in the "Engineer's Report" which will be given to the Operator and the CONRAC Manager so that the repairs and maintenance recommended by the engineer can be accomplished. The Engineer's Report will be paid from the CFC Renewal and Replacement Fund.

END OF ARTICLE

## ARTICLE 16 UTILITIES

### Section 16.1 GENERALLY.

Beginning on the Commencement Date and continuing thereafter during the Lease Term, the Operators shall pay the Utilities Costs, whether billed to the City, the CONRAC Manager or the Operators (or any of them).

### Section 16.2 ENERGY CONSERVATION; RECYCLING.

The Aviation Director shall have the right to institute such reasonable policies, programs and measures as may be necessary or desirable, in the Aviation Director's discretion, for the conservation and/or preservation of energy, energy related services or other resources, to promote considerations of sustainability, or as may be required to comply with any applicable codes, rules and regulations, whether mandatory or voluntary.

### Section 16.3 CITY NOT RESPONSIBLE.

The City shall not be liable in any way to Operator for any failure or defect in the supply or character of electrical energy, water, sewer or other utility service furnished to the Leased Premises by reason of any requirement, act or omission of the public utility providing such service or for any other reason. The City shall have the right to shut down electrical or other utility services to the Leased Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations, reconnections, or for any other reason necessary for Airport operations, with respect to any such utility system (singularly or collectively, "Utility Work"), regardless of whether the need for such Utility Work arises in respect of the Leased Premises, any other part of the CONRAC, the Facility or Facility Site. Whenever possible, the City shall give Operator no less than two (2) days prior notice for such utility shutdown. The City shall not be liable to Operator for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Leased Premises.

END OF ARTICLE

## ARTICLE 17 INDEMNITY

### Section 17.1 INDEMNIFICATION OF CITY BY OPERATOR.

OPERATOR COVENANTS AND AGREES TO FULLY INDEMNIFY, DEFEND, AND HOLD HARMLESS, THE CITY AND THE ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, VOLUNTEERS AND REPRESENTATIVES OF THE CITY, INDIVIDUALLY OR COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON THE CITY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO OPERATOR'S ACTIVITIES UNDER THIS LEASE AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF OPERATOR, CONRAC MANAGER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF OPERATOR, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS LEASE AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE NEGLIGENCE OF CITY, ITS OFFICERS OR EMPLOYEES, IN INSTANCES WHERE SUCH NEGLIGENCE CAUSES PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE. IN THE EVENT OPERATOR AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS LEASE AGREEMENT.

The provision of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other Person or entity. OPERATOR shall advise the CITY in writing within twenty-four (24) hours of any claim or demand against the CITY or OPERATOR known to OPERATOR related to or arising out of OPERATOR's activities under this AGREEMENT LEASE and shall see to the investigation and defense of such claim or demand at OPERATOR's costs. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving OPERATOR of any of its obligations under this paragraph.

## ARTICLE 18 INSURANCE

### Section 18.1 CITY INSURANCE

City shall maintain all-risk property insurance on the Facility during the Term of this Lease Agreement.

### Section 18.2 OPERATOR INSURANCE

A) Prior to the commencement of any work under this Agreement, Operator shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Aviation Department, which shall be clearly labeled "*Consolidated Rental Car Facility Lease Agreement*" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Aviation Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

B) The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed reasonably necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk. City will give Operator at least sixty (60) days written notice of review and thirty (30) days to comply with modifications after City notifies Operator of modifications.

C) A Operator's financial integrity is of interest to the City; therefore, subject to Operator's right to maintain reasonable deductibles or self insured retentions in such amounts as are approved by the City, Operator shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Operator's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

<u>TYPE</u>	<u>AMOUNTS</u>
1. Workers' Compensation 2. Employers' Liability	Statutory \$1,000,000/\$1,000,000/\$1,000,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$2,000,000 per occurrence; \$5,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	<u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$5,000,000 per occurrence
5. Builder's Risk (if applicable)	All Risk Policy written on an occurrence basis for 100% replacement cost during construction phase of any new or existing structure.
6. Property Insurance: For physical damage to the property of Operator, including improvements and betterment to the Leased Premises installed by Operator	Coverage written on occurrence basis for replacement value of the cost of Operator's property. The policy shall also provide coverage for Business Income including Extra Expenses resulting from direct physical loss or damage to the property. The City shall be included as a Loss Payee on Operator's property insurance policy with respect to the City's interest in Improvements and Betterments.
7. Operator's Pollution Liability (Claims made basis)	\$5,000,000 per occurrence; \$10,000,000 general aggregate.

Operator shall have the right to self-insure Workers' Compensation coverage and Auto Liability coverage only in accordance with the requirements set forth in **Exhibit 4 to the Concession Agreement**.

D) Operator agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Operator herein, and provide a certificate of insurance and endorsement that names the Operator and the City as additional insureds.

Operator shall keep said certificates on file and shall provide the City with said certificate and endorsement when requested. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes. No such modification can take place until Operator has been given sixty (60) days written notice of modification and thirty (30) days to comply after notification.

E) As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the declaration page, and all endorsements thereto. Operator shall be required to comply with any such requests and shall submit a copy of the declaration page to City at the address provided below within 10 days of the request.

City of San Antonio  
Attn: Aviation Department  
P.O. Box 839966  
San Antonio, Texas 78283-3966

F) Operator agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies; and property policies will name City as Loss Payee and not additional insured;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City; and
- Provide a thirty (30) day advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

G) Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Operator shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Operator's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

H) In addition to any other remedies the City may have upon Operator's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Operator to stop work hereunder, and/or withhold any payment(s) which become due to Operator hereunder until Operator demonstrates compliance with the

requirements hereof.

I) Nothing herein contained shall be construed as limiting in any way the extent to which Operator may be held responsible for payments of damages to persons or property resulting from Operator's or its subcontractors' performance of the work covered under this Agreement.

J) It is agreed that Operator's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided.

L) Operator and any Subcontractors are responsible for all damage to their own equipment and/or property.

END OF ARTICLE

## ARTICLE 19 COMPLIANCE WITH ENVIRONMENTAL LAWS

### Section 19.1 DEFINITIONS IN ARTICLE 19 AND ARTICLE 20.

**“Environmental Audit”** means an environmental compliance audit consistent with any applicable or relevant and appropriate assessment or auditing standards, including, but not limited to, CERCLA § 101(35)(B) (42 U.S.C. § 9601(35)(B)), 40 C.F.R. Part 312, and ASTM Standard *E2107-00 Standard Practice for Environmental Regulatory Compliance Audits*. An Environmental Audit should be conducted under audit privilege laws, including the Texas Environmental, Health and Safety Audit Privilege Act, Tex. Rev. Civ. Stat. Ann. Art. 4447cc (Vernon’s).

**“Environmental Baseline Study”** means the study conducted for the City that characterizes the environmental conditions at the Project Site prior to construction of the CONRAC. The study is documented in a report entitled Consolidated Rent-A-Car Facility San Antonio International Airport San Antonio, Texas Environmental Baseline Survey July 2014 prepared by Freese and Nichols Inc. and as confirmed by the report entitled: “Phase I Environmental Site Assessment and Limited Phase II Subsurface Investigation of Proposed Consolidated Rent-A-Car (ConRAC) Facility San Antonio International Airport San Antonio, Texas 78216, CardnoATC Project No. TS.SAT1501 April 3, 2015.” The Environmental Baseline Study may be updated and supplanted by an Updated Environmental Baseline Study.

**“Environmental Baseline Study Update”** means an investigation of site environmental conditions sufficient to identify changes in environmental conditions at the Project Site as compared to the Environmental Baseline Study or the most recent Updated Environmental Baseline Study. The Environmental Baseline Study Update shall meet at least the minimum standards of American Society for Testing and Materials (“ASTM”) Standard *D6008 -96(2014) Standard Practice for Conducting Environmental Baseline Surveys*, or ASTM Standard 1527-13 Standard for completing Phase I Environmental Site Assessments, or its latest version.

**“Environmental Claims”** means, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) spills, discharges, releases, removal, remediation, assessment, transportation, testing or disposal of Hazardous Materials; (ii) bodily injury or death; (iii) damage to or loss of use of property of any Person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, truces, demands, orders, directives or any other requirements imposed in any manner for violation of Environmental Laws by any governmental agency; and (vi) costs and expenses of cleanup, remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

**“Environmental Law” or “Environmental Laws”** means any law pertaining to health, industrial hygiene, public safety, occupational safety, mining, mine reclamation, natural or cultural resources, fish, wildlife or other protected species or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, *et. seq.*); the Resource, Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, *et. seq.*); the Toxic Substances Control Act (15 U.S.C. § 2601, *et. seq.*); the Clean Water Act (33 U.S.C. § 1251, *et. seq.*); the Oil Pollution Act of 1990 (33 U.S.C. § 2701, *et. seq.*); the Clean Air Act (42 U.S.C. §7401, *et. seq.*); the Atomic Energy Act (42 U.S.C. § 2011, *et. seq.*); the Hazardous Materials Transportation Act (49 U.S.C. § 5101, *et. seq.*); the Emergency Planning and Community Right-To-Know Act (42 U.S.C.

11001, *et. seq.*); the Endangered Species Act of 1973 (16 U.S.C. §1531, *et. seq.*); the Federal Land Policy and Management Act of 1976 (43 U.S.C. § 1701, *et. seq.*); the Lead-Based Paint Exposure Reduction Act (15 U.S.C. § 2681, *et. seq.*); the Safe Water Drinking Act Amendments of 1996 (42 U.S.C. § 300); the National Historic Preservation Act of 1966; the Mine Safety and Health Act (30 U.S.C. 801 *et seq.*); the Surface Mining Control And Reclamation Act (30 U.S.C. 1201 *et seq.*) and state and local counterparts of each of the foregoing.

**“Fuel Spill Response Plan”** means the written plan adopted by the Airport in 2002 to help the airport and tenants plan for and respond to emergency fuel spills at the Airport, as may be amended from time to time.

**“Hazardous Materials”** means, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, and includes all Hazardous Substances.

**“Hazardous Substance”** means all materials, substances, or wastes defined, designated, regulated or classified as hazardous, toxic or radioactive, under any Environmental Law, whether by type or by quantity, and shall include petroleum or any derivative or by-product thereof, and asbestos and asbestos containing materials.

**“Pre-Lease Agreement Environmental Condition”** means the site environmental condition prior to construction of the Facility as determined in the Environmental Baseline Survey, or any Updated Environmental Baseline Survey.

**“Spill Prevention Control and Countermeasures Plan” or “SPCC Plan”** means a written plan required by Environmental Law, that includes a risk evaluation performed by a Professional Engineer and that describes the storage of petroleum products (as defined in 40 C.F.R. 112.7) and spill response procedures as they relate to the storage and use of petroleum products. The SPCC Plan shall be prepared by the CONRAC Manager and adopted by each of the Operators.

**“Storm Water Pollution Prevention Plan” or “SWPPP”** means a written plan required by the Clean Water Act or other Environmental Law, or if not required by Environmental Law, an equivalent plan required by the City for the Project Site, prepared by the CONRAC Manager and adopted by each of the Operators for the CONRAC, that describes the Project Site (including, but not limited to, the Fuel Facilities) and adjacent Airport properties (including roadways) and the management, training, operational, and monitoring activities and requirements in place to prevent illicit discharges to the waters of the United States or other deleterious materials (e.g., total suspended solids) from, or in connection with, the Project Site; control and remediate spills or releases; and/or meet other environmental permit requirements related to releases from, or in connection with, the Project Site.

**“Storm Water Best Management Practices” or “BMPs”** mean the schedules of activities, prohibitions of practices, maintenance procedures, and other techniques to control, prevent or reduce the discharge of pollutants from storm water discharges. BMPs also include treatment requirements, operating procedures, and practices to control site runoff, spills or leaks, sludge or waste disposal, or drainage from raw material storage areas. BMPs include all BMPs developed by the CONRAC Manager, and all BMPs shall be subject to approval by the Aviation Director.

“**Updated Environmental Baseline Study**” means the Environmental Baseline Study as updated by the most recent Environmental Baseline Study Update or other environmental investigation meeting at least the minimum standards of *D6008 -96(2014) Standard Practice for Conducting Environmental Baseline Surveys*, , or ASTM Standard 1527-13 Standard for completing Phase I Environmental Site Assessments, or its latest version.

### **Section 19.2 ENVIRONMENTAL COMPLIANCE.**

In its operations on the Leased Premises and at the Airport, Operator shall strictly comply with all applicable Environmental Laws, the Airport Rules and Regulations (including without limitation, the SWPPP, SPCC, and Fuel Spill Response Plan), and other Airport environmental policies and procedures as may be promulgated from time to time. Without limiting the generality of the foregoing provision, Operator shall not use or store Hazardous Materials on or at the Leased Premises or Airport except as reasonably necessary in the ordinary course of Operator's permitted activities at the Leased Premises and Airport, and then only if such Hazardous Materials are properly labeled and contained as required pursuant to Applicable Laws, and an annual inventory and a copy of the current material safety data sheet is provided to the City for each such Hazardous Material. Prior to commencing operations at the Leased Premises or Airport, Operator must complete an Airport environmental questionnaire. Operator shall not discharge, release, or dispose of any Hazardous Materials on the Leased Premises or Airport or surrounding air, lands or waters in violation of Applicable Laws. Operator shall promptly and no later than 24 hours after occurrence notify City of any Hazardous Material spills, releases, or other discharges by Operator at the Airport in accordance with City's Fuel Spill Response Plan and promptly abate, remediate, and remove any of the same to the extent required under Applicable Laws. Operator shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental Laws by Operator at the Leased Premises or Airport within ten (10) days after such documents are generated by or received by Operator. If Operator uses, handles, treats, or stores Hazardous Materials at the Leased Premises or Airport, Operator shall arrange for the proper storage, handling, and disposal of the Hazardous Materials, and shall comply with all applicable Environmental Law regarding waste characterization, transportation, and disposal. Complete records of all disposal manifests, receipts and other documentation required by Applicable Law shall be retained by the Operator and/or CONRAC Manager and made available to the City for review upon request. The City shall have the right at any time to enter the Leased Premises to inspect, take samples for testing, and otherwise investigate the Leased Premises for the presence and proper management of Hazardous Materials. In exercising its right of access, City shall endeavor to minimize disruption of or interfere with Operator's operations or use of the Leased Premises. Operator will comply with Occupational Safety and Health Administration (“**OSHA**”) hazard communications laws, 29 C.F.R. 1910.1200 *et seq.*, and Texas hazard communication laws. All waste containers shall be labeled with the name of the Operator, to avoid orphaned or wandering waste containers.

### **Section 19.3 HAZARDOUS MATERIALS RESPONSIBILITY.**

Operator's Hazardous Materials shall be the responsibility of Operator. Operator shall not allow the release, spill, discharge, leak, emission, injection, escape, migration or dumping in, on, about, from or adjacent to the Leased Premises (including storm drains, sanitary sewer system, surface waters, soils, underground waters or air) of any Hazardous Material or other deleterious substance in any manner that could be a detriment to the Leased Premises or in violation of the Pollution Prevention Plan, the SPCC Plan, any City Codes and City Standards, any City

Environmental Permit or any Environmental Law. All reporting and notice requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Operator at the Leased Premises or Airport shall be the responsibility of Operator. Operator shall promptly notify City of any report or notice in accordance with **Section 19.9**.

**Section 19.4 STORMWATER REQUIREMENTS.**

Operator acknowledges that the Airport is subject to the National Pollution Discharge Elimination System Program (“**NPDES**”), Federal Stormwater Regulations (40 C.F.R. Part 122) and the Texas Pollution Discharge Elimination System Program (“**TPDES**”). The Airport currently has a delegated shared SWPPP, and the CONRAC Manager shall prepare and implement a unified SWPPP for the Facility and the Project Site for all Operators, and coordinate the Facility’s SWPPP with the Airport’s delegated shared SWPPP. The CONRAC Manager shall provide a copy of the SWPPP to the City not more than thirty (30) days before the DBO. Operator shall be responsible for updating the SWPPP to address future changes in the Leased Premises or activities, operations and practices of Operator upon the Leased Premises.

**Section 19.5 SUSTAINABILITY.**

Operator shall comply with Applicable Laws and policies pertaining to recycling, energy, and natural resource conservation and management. Operator shall cooperate with the City in the implementation of energy conservation, water conservation, alternative fueling, emissions reduction, and waste minimization programs and policies the City establishes from time to time.

**Section 19.6 SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN.**

Operator shall, through the CONRAC Manager, determine whether Section 112.7 of Title 40 of the Code of Federal Regulations is applicable to the Operator's Exclusive Use Premises, the CONRAC and its operations, and whether Operator is required to prepare an SPCC Plan. This determination must be submitted to City for approval, with a copy to the City. Preparation of any Operator SPCC Plan shall be the responsibility of Operator, but may be accomplished by arrangements with the CONRAC Manager. Any SPCC Plan must be certified by a licensed Professional Engineer in accordance with all applicable Legal Requirements (specifically including Environmental Laws) and an up-to-date copy thereof shall be furnished at all times to the CONRAC Manager.

**Section 19.7 SURVIVAL.**

The covenants, conditions, and indemnities in this Article shall survive the expiration or earlier termination of this Lease Agreement.

**Section 19.8 PRE-LEASE AGREEMENT ENVIRONMENTAL CONDITION.**

An Environmental Baseline Survey was conducted prior to construction of the Facility, which identifies the Pre-Lease Agreement Environmental Condition. The costs associated with the Pre-Lease Agreement Environmental Evaluation and determination of the Pre-Lease Agreement Environmental Condition shall be Project Costs. The FAA issued a Finding of No Significant Impact (“**FONSI**”) on August 12, 2014.

**Section 19.9 PERMITS, REPORTS, AND NOTICES.**

Operator shall make available to the City upon request copies of all material safety data sheets for all Hazardous Materials used or stored on the Leased Premises by Operator, Operator's U.S. Environmental Protection Agency waste generator number, and its generator annual hazardous waste reports. Within seventy-two (72) hours of receipt or transmission, whichever first occurs, Operator

shall provide City with copies of any environmentally related regulatory permits or approvals (including revisions or renewals) and any material report or notice Operator receives from, or provides to, any Governmental Authority in connection with the handling of Hazardous Materials on the Leased Premises or the presence, or possible presence, of any Hazardous Material in, on, about, from or adjacent to the Leased Premises. Operator shall report to the City any spills or emissions of Hazardous Materials resulting from the acts or omissions of the Operator in accordance with the City's Fuel Spill Response Plan and to report to the appropriate Governmental Authorities any spills or emissions of Hazardous Materials by the Operator that are above reportable quantities as defined by applicable Environmental Laws.

**Section 19.10 VIOLATION OF ENVIRONMENTAL LAWS.**

If Operators are in violation of any Environmental Law concerning the presence or use of Hazardous Materials or the handling or storing of hazardous wastes, Operators shall promptly take such action as is necessary to mitigate and correct the violation. If Operators do not act in such a manner, the City has the right, but not the obligation, to come onto the Leased Premises, to act in place of Operators (and Operators hereby appoint the City as their agent for such purposes) and to take such action as the City deem necessary to ensure compliance or to mitigate the violation. If the City has a reasonable belief that Operator is in violation of any of the Environmental Laws, or that Operator's acts or omissions present a threat of violation or a threat of damage to the Leased Premises, the City have the right to enter onto the Leased Premises and take such corrective or mitigating action as it deems necessary. All reasonable and necessary costs and expenses incurred by the City, respectively, in connection with any such actions shall become immediately due and payable by Operators upon presentation of an invoice therefor. Interest shall accrue on all unpaid sums.

**Section 19.11 INSPECTION: TEST RESULTS.**

The City shall have access to the Leased Premises to conduct (but shall have no obligation to conduct) environmental inspections, including an Environmental Audit, and Operator shall permit the City access to the Leased Premises for the purpose of conducting environmental testing, whether in connection with the City's action taken pursuant to **Section 19.10** hereof or for other City purposes. Except in the event of any real or threatened emergency, (a) environmental testing by the City shall occur only during normal business hours, or at such other times as Operator shall reasonably approve; (b) the City shall provide notice to Operator of its intention to conduct tests at least five (5) business days prior to such date of testing; (c) testing shall not unreasonably interfere with Operator's normal business operations; and (d) any damages to the Leased Premises caused by the environmental testing conducted by City shall be repaired by City at its sole cost and expense and any damages to the Leased Premises caused by the environmental testing conducted by the City shall be repaired by the City, at no cost and expense to Operator (other than Operator's Pro Rata Share of CONRAC Routine Maintenance). The Operator shall not conduct or permit others to conduct environmental media testing on the Leased Premises without first obtaining the City's prior consent. Operator shall within three (3) business days inform the City of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Leased Premises whenever Operator knows the same, and Operator shall provide copies thereof to the City, with the exception of Operator internal audits covered under attorney-client privilege. Notwithstanding such privilege, Operator shall have a duty to warn City of life/safety risks revealed by such an audit.

**Section 19.12 TERMINATION: REMOVAL OF EQUIPMENT AND HAZARDOUS MATERIALS.**

Prior to the expiration or earlier termination of this Lease Agreement, Operator shall remove or

remediate in accordance with applicable Environmental Laws and the Airport Rules and Regulations (including without limitation, the SWPPP, SPCC, and Fuel Spill Response Plan, and other Airport environmental policies and procedures as may be promulgated from time to time), all of Operator's Hazardous Materials from the Leased Premises and, if Operator is ceasing to operate at Airport, then from Airport, and surrounding lands and waters. Unless instructed otherwise by City, Operator shall also, prior to vacating the Leased Premises and Airport, remove all aboveground and underground storage tanks, piping and other equipment, if any, installed by or on behalf of Operator at the Facility which stored Hazardous Materials, or which are contaminated by Hazardous Materials, provided that Operator shall not at any time install or have installed any such storage tanks, piping or other equipment without express prior written consent of the City. Prior to expiration or earlier termination of this Lease Agreement, each Operator or Operators, through the CONRAC Manager, shall conduct an Environmental Baseline Study Update of the Leased Premises, and shall provide to the City an Updated Environmental Baseline Survey. This removal and demonstration shall be a condition precedent to the City's return of the Performance Guarantee to Operator upon the expiration or earlier termination of the Term.

#### **Section 19.13 REMEDIES NOT EXCLUSIVE.**

No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the City shall be entitled to full reimbursement from the Operator whenever the City incurs any costs resulting from the use or management of Hazardous Materials on the Leased Premises by the Operator or Operators, including costs of remedial activities, fines or penalties assessed directly against the City, injuries to third Persons or other properties, and loss of revenues resulting from an inability to re-lease or market property due to its environmental condition, even if such loss of revenue occurs after the expiration or earlier termination of the Term.

#### **Section 19.14 ENVIRONMENTAL INDEMNITY.**

IN ADDITION TO ALL OTHER INDEMNITIES PROVIDED IN THIS LEASE AGREEMENT, OPERATOR AGREES TO DEFEND, INDEMNIFY AND HOLD CITY AND ITS ELECTED OFFICIALS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, FREE AND HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, REGULATORY DEMANDS, LIABILITIES, FINES, PENALTIES, LOSSES, AND EXPENSES, INCLUDING REMEDIAL COSTS (AND INCLUDING REASONABLE ATTORNEYS' FEES, COSTS AND ALL OTHER REASONABLE LITIGATION EXPENSES WHEN INCURRED AND WHETHER INCURRED IN DEFENSE OF ACTUAL LITIGATION OR IN REASONABLE ANTICIPATION OF LITIGATION ARISING FROM THE EXISTENCE OR DISCOVERY OF ANY HAZARDOUS MATERIAL ON THE LEASED PREMISES, OR THE MIGRATION OF ANY HAZARDOUS MATERIAL FROM THE LEASED PREMISES TO OTHER PROPERTIES OR INTO THE SURROUNDING ENVIRONMENT, ARISING OR RESULTING FROM ANY ACT OR OMISSION OF THE OPERATOR OR OPERATORS, WHETHER (A) MADE, COMMENCED OR INCURRED DURING THE LEASE TERM, OR (B) MADE, COMMENCED OR INCURRED AFTER THE EXPIRATION OR TERMINATION OF THE LEASE TERM IF ARISING OUT OF EVENTS OCCURRING DURING THE LEASE TERM; PROVIDED, HOWEVER, OPERATOR'S OBLIGATION TO INDEMNIFY THE CITY PURSUANT TO THIS SECTION SHALL NOT APPLY WITH RESPECT TO ANY RELEASE OF A HAZARDOUS MATERIAL CLEARLY ARISING OUT OF ANY CONSTRUCTION DEFECT IN THE FUEL FACILITIES, WHICH DEFECT IS DISCOVERED WITHIN ONE YEAR AFTER THE COMMENCEMENT DATE. THE OPERATOR'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER

TERMINATION OF THE LEASE TERM.

**Section 19.15 TERM OF ENVIRONMENTAL PROVISIONS.**

The provisions of **Articles 19 and 20**, including the representations, warranties, covenants and indemnities of Operators and/or each Operator, shall expressly survive termination of this Lease Agreement, and Operators' and/or each Operator's obligations and liabilities under **Articles 19 and 20** shall continue so long as the City bears any liability or responsibility under Environmental Law arising from Operators' and/or each Operator's occupancy or use of the Leased Premises and/or Airport during the term of this Lease Agreement.

END OF ARTICLE

## **ARTICLE 20 FUEL FACILITIES AND MANAGEMENT**

### **Section 20.1 FUEL FACILITIES.**

The City, as part of the construction of the Project, shall build, install and equip gasoline Fuel Facilities in the QTA for the use and benefit of the Facility and the Operators. The Fuel Facilities may include aboveground and underground fuel tanks, piping, and shall include automated fuel leak sensors, dispensers and other required and appropriate equipment to support the fueling of rental cars. In accordance with the allocation plan and procedures set forth in **Article 11**, Operator shall be allocated one or more specific fuel dispensers to fuel its rental cars. The Operator is hereby given a license to make beneficial use of the Fuel Facilities that support its allocated dispenser(s), provided that all portions of the Fuel Facilities other than the Operator's specifically designated dispenser(s) shall at all times remain in the exclusive operational control of the CONRAC Manager.

### **Section 20.2 FUEL AND ENVIRONMENTAL RESPONSIBILITIES.**

Operator shall operate its allocated fuel dispenser(s) in accordance with Environmental Laws and in such a manner as to prevent and eliminate fuel spills or damage to the Fuel Facilities. Operator shall be (a) responsible to train its employees who use its allocated fuel dispenser(s) in their proper use, care and maintenance, and (b) liable for any and all damage to the Fuel Facilities, the Facility or the environment arising from its employees' acts or omissions relating to its allocated fuel dispenser(s).

### **Section 20.3 FUEL SUPPLY.**

The Operators shall enter into a fuel supply agreement with the CONRAC Manager or a third-party fuel supplier to provide a continuous source of gasoline for the CONRAC, which fuel supply agreement shall be specifically subject to Aviation Director's approval, which approval shall not be unreasonably withheld. Any resulting agreement shall be negotiated by and among the parties, and the resulting fuel supply agreement shall have terms that provide for financial deposits, prompt payments, cross-defaults, and the authority and ability of the CONRAC Manager to turn off or otherwise disable any or all fuel dispenser(s) allocated to the Operators in the event that, and so long as, any payment from Operator for fuel is and remains unpaid more than ten (10) days after the date due.

### **Section 20.4 ADVANCE PAYMENTS AND DEPOSITS.**

The Operator, together with all other Operators, shall also pay any advance payment or deposit and any other amounts that the CONRAC Manager deems necessary and prudent to ensure a reliable supply of fuel sufficient for all Operators in Good Standing at the CONRAC.

### **Section 20.5 ENVIRONMENTAL ASSESSMENT.**

Within forty-five (45) days after (i) any change in the CONRAC Manager, at the sole cost and expense of the Operators under the CONRAC Management Contract; or (ii) any change in ownership or affiliation of Operator; or (iii) if any Operator vacates the Leased Premises for any reason, at said Operator's sole cost and expense, an Environmental Baseline Study Update of the CONRAC and, specifically, the Fuel Facilities, shall be performed to identify the nature and extent of any release of Hazardous Materials, if any, present on the CONRAC or the Facility Site since the Environmental Baseline Study or the most recent Updated Environmental Baseline Study. The Environmental Baseline Study Update shall be used to prepare a new Updated Environmental Baseline Study and the full report shall be given to the City identifying any change in the environmental condition of the CONRAC. Any contamination identified shall be subject to removal as more particularly set forth in **Section 19.12, Termination: Removal of Equipment and Hazardous Materials** and this Article.

**Section 20.6 FUEL FACILITIES MANAGEMENT - OPERATION, MAINTENANCE, AND REPAIR RESPONSIBILITIES.**

Operator, through the CONRAC Manager, shall be responsible for the proper operation, maintenance, repair and use of the Fuel Facilities and the payment of all costs and expenses incurred for the operation, maintenance, repair and use of the Fuel Facilities, which costs and expenses shall be allocated to the Operators by Pro Rata Share, except for the cost of fuel, which shall be allocated to the Operators according to consumption. Operator shall be responsible and liable for the improper use of its allocated fuel dispenser(s), which costs shall be allocated as direct costs. Without limiting Operator's responsibility for its own acts or omissions, Operators shall be entirely responsible for all spill response, the immediate or other removal, investigation, remediation, restoration and other corrective actions, or site closure associated with a release of any Hazardous Material from the Fuel Facilities. Immediately upon becoming aware that a release of any Hazardous Material from the Fuel Facilities has occurred, the Operator, through the CONRAC Manager, shall inform City of such release in accordance with the Fuel Spill Response Plan. The City shall have no liability for, or responsibility for the payment of, any costs, expenses or liabilities incurred in connection with the operation, maintenance, repair and use of the Fuel Facilities or any fees, costs, or expenses or reimbursements due the CONRAC Manager.

**20.6.1 CONRAC Manager – Immediate Action During Mishaps.**

In the event of any spill or release involving any Hazardous Material upon the CONRAC or Facility Site and/or any event or mishap that directly threatens the spill or release of any Hazardous Material upon the CONRAC, Operator, through the CONRAC Manager, will immediately take all necessary action to address such event, spill, release or other mishap in accordance with the Fuel Spill Response Plan and Environmental Laws.

**20.6.2 Fuel Facilities Operations; Operator Cooperation and Compliance.**

Operator shall, through the CONRAC Manager, prepare the Fuel Facilities Operations procedures which shall be included in the Operations Manual. The Fuel Facilities Operations procedures shall: (i) be provided to City not more than thirty (30) days before the DBO (and not more than thirty (30) days after any update thereof); (ii) be prepared in coordination with City staff; (iii) describe in detail the fuel storage inventory and leak detection systems; (iv) be consistent with warranty requirements and the manufacturer's recommendations with respect to the Fuel Facilities; (v) be consistent with the Environmental Laws; (vi) be consistent with the Storm Water Pollution Prevention Plan, the SPCC Plan, Best Management Practices and all other Legal Requirements; (vii) include requirements for fuel delivery times, in accordance with FAA and City fire marshal requirements; and (viii) be updated to address future changes in the design, use or composition of the Fuel Facilities. The Fuel Facilities Operations procedures shall be subject to the prior approval of City and shall be updated as needed, but not less often than annually, to address the operations and practices of the CONRAC Manager and the RACs. Operator shall conduct all of its activities on, or relating to, the Fuel Facilities: (i) in compliance with Environmental Laws, the provisions of this Lease Agreement, City Codes and Standards and all other Legal Requirements; (ii) in cooperation with City in City's efforts to comply with the Environmental Laws; and (iii) in compliance with the Fuel Facilities Operations procedures. In the event of a conflict between any provisions of this Lease Agreement and the Environmental Laws, the more stringent provisions shall govern and control.

**Section 20.7 NECESSARY PERMITS.**

The Operator shall obtain and maintain any and all necessary permits or consents required by

Environmental Laws with respect to its use of the Fuel Facilities, including registration and certification requirements for underground and aboveground storage tanks. For all permits, registrations, certifications and other authorizations required by Environmental Laws, the City shall be identified as the owner of facilities owned by the City, and the Operator shall be identified as the operator of facilities operated by the Operator. Prior to submitting any document to a federal or state regulatory authority wherein the City is identified as an owner, operator, or otherwise identified as a responsible party, the document shall be first submitted to the City for review and acceptance. The costs associated with obtaining and maintaining permits, registrations and other authorizations are CONRAC administrative expenses and will be reimbursed to the City from the Administrative Costs Fund described in **Section 3.3**. The Operator shall promptly furnish the City with copies of permits, registrations, and all other material correspondence between the Operator and any permitting agency.

**Section 20.8 ENVIRONMENTAL AUDIT.**

Operators, through the CONRAC Manager, shall hire an independent third party to conduct an Environmental Audit of the entire CONRAC (including the Fuel Facilities), and each Operator's and the CONRAC Manager's operations, equipment, facilities and fixtures on or about the CONRAC, every third (3rd) Lease Year after the DBO. Not later than thirty (30) days after completion of each Environmental Audit, the CONRAC Manager shall review the findings of the Environmental Audit with the City, together with a draft plan (including a performance schedule) to correct all deficiencies and compliance issues identified during the Environmental Audit. The City shall have thirty (30) days within which to comment upon the draft plan, and Operators, through the CONRAC Manager, shall promptly incorporate any comments of City into a final plan and correct all compliance issues according to the final plan (and performance schedule). Operators, through the CONRAC Manager, shall modify the Fuel Facilities Operations procedures or other operational plans and procedures associated with the Fuel Facilities as reasonably recommended by such Environmental Audit. Environmental Audits should be conducted under the Texas Environmental Health and Safety Audit Privilege Act, and the City shall be included as a person afforded the privileges provided and receiving immunity from penalties for violations of Environmental Laws discovered and disclosed to any regulatory authority.

**Section 20.9 SUBSEQUENT CITY ENVIRONMENTAL AUDIT.**

The City shall have the right to conduct its own Environmental Audit of the CONRAC and the operations, equipment, facilities and fixtures on or about the CONRAC Site. Upon being presented with any non-compliances discovered under the Environmental Audit, Operators, through the CONRAC Manager, shall provide the City with a draft plan (including a performance schedule) to correct all identified deficiencies and compliance issues. The City shall have thirty (30) days within which to review and comment upon the draft plan, and Operators, through the CONRAC Manager, shall promptly incorporate any City comments into a final plan and correct all compliance issues according to the final plan (and performance schedule). Operators, through the CONRAC Manager, shall modify the Fuel Facilities Operations procedures or other operational plans and procedures associated with the Fuel Facilities as reasonably recommended by any such Environmental Audit. In conducting any Environmental Audit, the City shall not unreasonably interfere with the business operations of the Operator or the Operators.

**Section 20.10 GENERAL STANDARDS.**

In determining those recommendations incorporated into any Environmental Audit that are reasonable (and therefore to be implemented), all recommendations shall be presumed reasonable unless Operator or CONRAC Manager can demonstrate in a manner acceptable to City that a recommendation (i) is not required by Legal Requirements; and (ii) the cost of implementing such recommendation significantly outweighs the benefits thereof.

**Section 20.11 FUEL FACILITIES ENVIRONMENTAL INDEMNITY.**

THE OPERATOR SHALL DEFEND, INDEMNIFY AND HOLD THE CITY AND ITS COUNCIL MEMBERS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FROM ANY DAMAGES, CLAIMS OR LIABILITY ARISING OUT OF OPERATOR'S USE OF THE FUEL FACILITIES ON OR ABOUT THE CONRAC OR OCCUPANCY OF THE FUEL FACILITIES ON OR ABOUT THE LEASED PREMISES, INCLUDING LIABILITY FOR INVESTIGATION AND REMEDIAL ACTION RELATED TO THE FOLLOWING OR SIMILAR ACTIVITIES OCCURRING DURING AND BY REASON OF ANY OF THE OPERATOR'S USE AND/OR OPERATION OF THE FUEL FACILITIES: (A) ANY RELEASES, SPILLS, DISCHARGES, LEAKS, EMISSIONS, INJECTIONS, ESCAPES, DUMPING, GENERATION, TRANSPORTATION, STORAGE, TREATMENT OR DISPOSAL OF HAZARDOUS MATERIALS; (B) ANY OTHER DISCHARGE TO SURFACE OR GROUND WATERS; (C) ANY AIR EMISSIONS; AND (D) ANY CONTAMINATION OF SOIL OR GROUND WATERS BENEATH OR ADJACENT TO THE CONRAC, EXCEPT FOR SUCH DAMAGE, CLAIMS OR LIABILITY (I) CAUSED BY THE CITY OR ITS OFFICERS, AGENTS OR EMPLOYEES, (II) ASSOCIATED WITH THE PRE-LEASE ENVIRONMENTAL CONDITION, (III) CLEARLY ARISING FROM ANY CONSTRUCTION DEFECT IN THE FUEL FACILITIES DISCOVERED WITHIN ONE (1) YEAR AFTER SUBSTANTIAL COMPLETION, OR (IV) ASSOCIATED WITH ANY HAZARDOUS MATERIAL CLEARLY MIGRATING ONTO THE CONRAC FROM SOME OTHER LOCATION THROUGH NO ACT OR OMISSION OF THE OPERATOR.

**Section 20.12 ENVIRONMENTAL CERTIFICATION.**

Operator, through the CONRAC Manager, shall provide to the City at the commencement of each Lease Year (other than the first Lease Year) a written statement that the Operator's occupation and use of the CONRAC, complied with (a) the Storm Water Pollution Prevention Plan, the SPCC Plan, the terms of all applicable permits, the Fuel Facilities Operations procedures and the Environmental Laws during the preceding Lease Year, and (b) all directions and recommendations set forth in any previous Environmental Audit. If the Operator, through the CONRAC Manager, is unable to provide such certification or documentation to City, it shall provide City with a written statement of the steps that are being taken to enable it to provide City with a certification of compliance and all required documentation.

END OF ARTICLE

## **ARTICLE 21 DAMAGE OR DESTRUCTION OF LEASE PREMISES**

### **Section 21.1 MINOR DAMAGE.**

Should the Leased Premises or the CONRAC be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with repair work and the preparations therefor to be done during regular working hours on regular work days), the Leased Premises (other than furniture, fixtures and equipment owned by Operator pursuant to **Section 12.4**) shall be repaired with due diligence by the City, but only to the extent insurance proceeds and CFCs are available for such repairs.

### **Section 21.2 MAJOR DAMAGE OR DESTRUCTION.**

Should the Leased Premises or the CONRAC be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the City shall have the option to terminate this Lease Agreement on thirty (30) days' written notice, effective as of any date not more than sixty (60) days after the occurrence. In the event that this Section shall become applicable, the City shall advise Operator within thirty (30) days after the occurrence of any such damage whether the City has elected to continue the Lease Agreement in effect or to terminate it. If the City shall elect to continue this Lease Agreement in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the Leased Premises (other than furniture, fixtures and equipment owned by Operator pursuant to **Section 12.4**). If the City fails to notify Operator of its election within said thirty (30) day period, the City shall be deemed to have elected to continue this Lease Agreement. For the period from the occurrence of any damage to the Leased Premises to the date of completion of the repairs to the Leased Premises (or to the date of termination of the Lease Agreement if the City elects not to restore the Leased Premises), the Ground Rent shall be abated in the same proportion that the untenable portion of the Leased Premises bears to the whole thereof.

### **Section 21.3 OPERATOR'S IMPROVEMENTS.**

Operator shall, at its sole cost and expense, be responsible, without regard to the cause of loss, for any and all repair or restoration of any Initial Tenant Improvements, subsequent Alterations, or furniture, fixtures and equipment owned by Operator, which repair or restoration may be necessary as a result of any casualty. If any casualty event causes damage or loss to Operator's improvements, but has not otherwise affected the Leased Premises or triggered **Section 21.1** or **Section 21.2** of this Lease Agreement; and such damage or loss cannot be repaired within (4) weeks, and the loss results in a stoppage or shutdown of fifty percent (50%) or more of the Operator's use of the Leased Premises, the Operator shall give written notice to the City within four weeks of the occurrence of the casualty of its plan to remove debris and begin restoration and repairs to the Operator's Improvements on the Leased Premises. If after three (3) months from the day of the casualty the Operator has not begun repair or restoration efforts, or removed debris, the City has the option to terminate the Lease Agreement with thirty (30) days' notice to Operator. If after six (6) months, Operator's repairs or restoration efforts have not restored at least fifty percent (50%) of the damage to Operator's Improvements to their original condition, the City has the option to terminate the Lease Agreement with thirty (30) days' notice to the Operator.

### **Section 21.4 APPROVAL OF PLANS**

Prior to any repair or restoration described above, Operator shall submit plans and specifications to the Aviation Director for his written approval. Such repair or reconstruction shall be in accordance therewith. Any changes must be approved in writing in advance by the Aviation Director.

**Section 21.5 INSURANCE PROCEEDS.**

To the extent that the City receives, or is eligible to receive, any insurance proceeds under any property insurance policy paid for as part of the Reimbursable City Costs, for damage to any element(s) on or about the CONRAC for which the obligation for the repair belongs to Operator or the Operators under this **Article 21**, the City agrees to make such insurance proceeds available to Operator or Operators as the case may be; provided, however, in the event that Operator or Operators accept such funds, Operator or Operators shall then be required to adhere to any Legal Requirements by which the City otherwise would have been bound if it had undertaken the repairs.

END OF ARTICLE

## ARTICLE 22 SURRENDER AND HOLDING OVER

### Section 22.1 SURRENDER.

Upon expiration or earlier termination of this Lease Agreement, Operator shall promptly quit and surrender the Leased Premises in good condition and repair, normal wear and tear excepted, and deliver to the City all keys that it may have to any part of the Leased Premises or Airport.

### Section 22.2 OPERATOR'S PROPERTY REMOVAL.

Operator shall, subject to obtaining the written consent of the Aviation Director, which consent shall not be unreasonably withheld, at its sole cost and expense, remove the following from the Leased Premises:

- A. All of Operator's equipment and trade fixtures;
- B. All of Operator's signs, including but not limited to company identifiers, operational signs, illuminated directional signs, rental/return signs and stall numbers, and backwall displays;
- C. All control booths, kiosks and security devices for the benefit of Operator, whether installed by Operator, other Operators or the predecessor-in-interest of either;
- D. Operator's computer and other electrical equipment;
- E. Operator's telephone/data communication lines and associated equipment;
- F. Any Operator Vehicle Maintenance Equipment; together with all structure, enclosure and piping associated with such systems;
- G. All utilities (including, but not limited to, HVAC, electricity, water, sewer, conduit and lines) installed by Operator or Operator's predecessors in interest, back to point of connection to the City's utility systems; and
- H. Any improvements, whether installed at the commencement of the Lease Term or subsequently for which the City's consent was conditioned on Operator's removal of such improvements at the expiration or earlier termination of this Lease Agreement.

Unless otherwise specifically agreed by the City in writing, Operator shall diligently complete such removal at or before the termination (including by expiration) of this Lease Agreement.

### Section 22.3 HOLDING OVER.

It is agreed and understood that any holding over by Operator, with City's consent, after the termination of this Lease Agreement, shall not renew and extend same, but shall operate and be construed as a tenancy from month-to-month, upon all the terms and conditions set forth herein, except that rental shall be paid to City by Operator for the Ground Space and for all other payment obligations under this Lease Agreement at one hundred fifteen percent (115%) the total rental in effect as of the end of the term of this Lease Agreement.

Should Operator hold over against City's will, Operator agrees to pay to City, as monthly rent during such period of such non-consensual holding over, for the Leased Premises (including Ground Space and all payment obligations herein), for each month of such tenancy, at three hundred percent (300%) of the Ground Rent and other payment obligations paid for the last month of the Term, plus all applicable fees, including and any other fees authorized by this Lease Agreement and/or authorized by Ordinance. Operator shall be liable to City for all loss or damage resulting from such holding over against City's will after the termination of this Lease Agreement, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing rental by City, in the event that Operator fails or refuses to surrender possession, shall not operate to give Operator any right to remain in possession beyond the period for which such amount has been paid, nor shall it constitute a waiver by City of its right to immediate possession thereafter.

**Section 22.4 SURVIVAL.**

Operator's obligations under this Article shall survive the expiration or earlier termination of this Lease Agreement. No modification, termination or surrender to the City of this Lease Agreement or surrender of the Leased Premises or any part thereof, or of any interest therein by Operator, shall be valid or effective unless agreed to and accepted in writing by the City, and no act by any representative or agent of the City, other than such written agreement and acceptance, shall constitute an acceptance thereof.

END OF ARTICLE

## ARTICLE 23 IMPAIRMENT OF TITLE

### Section 23.1 LIENS.

Operator will not directly or indirectly create or permit to be created and/or to remain a Lien upon the Leased Premises or any Alteration, the ownership of which is retained by the City. In the event any such Lien(s) have been created by or permitted by Operator in violation of this provision, Operator shall immediately discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Operator shall also defend, fully indemnify, and hold entirely free and harmless the City from any action, suit or proceeding, which may be brought on or for the enforcement of such lien(s). Nothing in this Section shall, however, be interpreted as a limitation on Operator's ability to lease and/or finance its vehicle fleet and pledge, encumber or otherwise hypothecate title to its vehicles for such purpose; and the City expressly hereby subordinates, in a favor of any such vehicle lessor or lender, any interest it may have in such vehicles, whether arising under this Lease Agreement or as a matter of law.

END OF ARTICLE

## ARTICLE 24 DEFAULT

### Section 24.1 EVENTS OF DEFAULT.

The occurrence of any of the following events shall constitute an “Event of Default” on the part of the Operator with or without notice from the City:

A. Operator shall fail to pay any rent or other payment obligation including CFCs as provided for in this Lease Agreement and such failure shall continue for a period of ten (10) days after receipt by Operator of written notice thereof.

B. Operator shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants contained in this Lease Agreement or the Concession Agreement or the Operators Member Agreement, and if such neglect or failure should continue for a period of thirty (30) days after receipt by Operator of written notice of same, or if more than thirty (30) days shall be required because of the nature of the default, if Operator shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default.

C. Operator shall become insolvent; take the benefit of any present or future insolvency statute; make a general assignment for the benefit of creditors; file a voluntary petition in bankruptcy or a petition or answer seeking a reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property.

D. An Order of Relief shall be entered, at the request of Operator or any of its creditors, under federal bankruptcy laws or any law or statute of the United States or any state thereof.

E. A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Operator and shall not be dismissed within thirty (30) days after the filing thereof.

F. Pursuant to, or under the authority of, any legislative act, resolution, rule, or any court, governmental, agency or board order or decree or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of Operator and such possession or control shall continue in effect for a period of fifteen (15) days.

G. Operator shall become a corporation in dissolution or voluntarily or involuntarily forfeit its corporate charter.

H. The rights of Operator hereunder shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm, corporation or other entity, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation, receivership, or other proceeding or occurrence described in Paragraphs C through G of this **Section 24**.

I. Operator shall voluntarily discontinue its operations at the Airport for a period of sixty (60)

consecutive days.

- J. Operator shall vacate or abandon the Leased Premises for a period of forty-eight (48) consecutive hours.
- K. Operator shall fail to collect and remit the CFC as required by this Lease Agreement.
- L. Operator shall fail to make any payment to the CONRAC Manager required by this Lease Agreement or the CONRAC Management Contract, following applicable notice and cure period.
- M. Operator shall fail to observe or perform any covenant, condition, or agreement to be observed or performed by Operator in the CONRAC Management Contract or the Operators' Member Agreement, following applicable notice and cure period.
- N. Any financial or background statement provided to the City by Operator, any successor, grantee, or assignee is materially false.

Notice of an Event of Default under this Section 24.1 shall be sent, in addition to the defaulting Operator, to the CONRAC Manager and to the designated Operator Chair per the Operators' Member Agreement at the time such notice is sent. Copies of the notice of default may be provided to all Operators then operating in the CONRAC, but are not required for purposes of providing notice of default under this Section 24.1.

## **Section 24.2 REMEDIES.**

### **24.2.1 Termination of Possession.**

In the event any default shall occur, City then, or at any time thereafter, but prior to the removal of such condition of default, shall have the right, at its election, to terminate Operator's right of possession of the Leased Premises, by giving at least ten (10) days written notice to Operator, at which time Operator will then quit and surrender the Leased Premises to City, but Operator's obligations under the Lease shall remain in full force and effect. At the expiration of said ten (10) days' notice period, City may enter upon and take possession of the Leased Premises (or any part thereof in the name of the whole), without demand or notice, and repossess the same as of the City's former estate, expelling Operator and those claiming under Operator, forcibly if necessary, without prejudice to any remedy for arrears of rent or preceding breach of covenant and without any liability to Operator or those claiming under Operator for such repossession.

### **24.2.2 Leased Premises Repossession.**

City's repossession of the Leased Premises shall not be construed as an election to terminate this Lease Agreement nor shall it cause a forfeiture of rents or other charges remaining to be paid during the balance of the Term hereof, unless a written notice of such intention be given to Operator, or unless such termination is decreed by a court of competent jurisdiction.

### **24.2.3 Relet Leased Premises.**

Upon repossession, City shall have the right, at its election and whether or not this Lease shall be terminated, to relet the Leased Premises or any part thereof for such period(s), which may extend beyond the term hereof, at such rent and upon such other terms and conditions as City may, in good

faith, deem advisable. Notwithstanding any law or anything contained herein to the contrary, to the full extent permitted under applicable law, Operator and City agree that City's duty to relet the Leased Premises or otherwise to mitigate damages hereunder shall be limited to those requirements set forth in the Texas Property Code, as amended. City shall in no event be liable, and Operator's liability shall not be affected or diminished whatsoever, for failure to relet the Leased Premises, or, in the event the Leased Premises are relet, for failure to collect any rental under such reletting, so long as the City uses objectively reasonable efforts to comply with said Texas Property Code. City and Operator agree that any such duty shall be satisfied and City shall be deemed to have used objective reasonable efforts to relet the Leased Premises and mitigate City's damages by following the procedures set forth in **Section 11.5.1**.

#### **24.2.4 Reletting Revenue.**

In the event that City elects to relet, rentals received by same from such reletting shall be applied: first, to the payment of any indebtedness, other than rent due hereunder from Operator under this Lease; second, to the payment of any cost of such reletting; third, to the payment of rent due and unpaid hereunder; and finally, the residue, if any, shall be held by City and applied hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Operator hereunder, then Operator shall pay such deficiency to City. Such deficiency shall be calculated and paid monthly. Operator shall also pay to City, as soon as ascertained, any costs and expenses incurred by City in such reletting not covered by the rentals received from such reletting of the Leased Premises.

#### **24.2.5 Remove Goods and Effects.**

If City shall terminate this Lease Agreement or take possession of the Leased Premises by reason of a condition of default, Operator and those holding under Operator, shall forthwith remove their goods and effects from the Leased Premises. If Operator or any such claimant shall fail to effect such removal forthwith, City may, without liability to Operator or those claiming under Operator, remove such goods and effects and store same for the account of Operator or of the owner thereof at any place selected by City, or, at City's election, and upon giving fifteen (15) days' written notice to Operator of date, time and location of sale, City may sell the same at public auction or private sale on such terms and conditions as to price, payment and otherwise, as City in its sole discretion may deem advisable. If, in City's judgment, the cost of removing and storing, or of removing and selling any such goods and effects, exceeds the value thereof or the probable sale price thereof, as the case may be, City shall have the right to dispose of such goods in any manner City may deem advisable.

#### **24.2.6 Removal, Storage and Sale Costs; Right of Off-Set.**

Operator shall be responsible for all costs of removal, storage and sale, and City shall have the right to reimburse the City from the proceeds of any sale for all such costs paid or incurred by City. If any surplus sale proceeds remain after such reimbursement, City may deduct from such surplus any other sum due to City hereunder and shall pay over to Operator any remaining balance of such surplus sale proceeds. In addition to the Performance Guarantee required under **Article 9**, City may off-set any sums it may hold on Operator's account, including unpaid Contingent Fee Reimbursements and Initial Tenant Improvement Reimbursements, against any amounts owed by Operator to City.

#### **24.2.7 No Right to Redeem or Re-Enter Leased Premises.**

If City shall enter into and repossess the Leased Premises as a result of Operator's default in the performance of any of the terms, covenants or conditions herein contained, then Operator hereby covenants and agrees that it will not claim the right to redeem or re-enter the Leased Premises to

restore the operation of this Lease, and Operator hereby waives the right to such redemption and re-entrance under any present or future law, and does hereby further, for any party claiming through or under Operator, expressly waive its right, if any, to make payment of any sum or sums of rent, or otherwise, of which Operator shall have made default under any of the covenants of the Lease and to claim any subrogation of the rights of Operator under these presents, or any of the covenants thereof, by reason of such payment.

**Section 24.3 REMEDIES CUMULATIVE.**

All rights, options and remedies of the City contained in this Lease Agreement shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the City shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, regardless of whether stated in this Lease Agreement.

END OF ARTICLE

## ARTICLE 25 TERMINATION

### Section 25.1 TERMINATION.

This Lease Agreement may be terminated by the City or Operator in advance of its scheduled expiration date on any of the following events.

### Section 25.2 TERMINATION BY CITY.

#### 25.2.1 Default.

Subject to any right to cure set forth in this Lease Agreement, City may terminate this Lease Agreement in the event of Operator's default under this Lease Agreement pursuant to **Section 24**.

#### 25.2.2 Federal Requirement.

In the event the City requires the Leased Premises for safety and security reasons as per federal requirements, the City may terminate this Lease Agreement or portions thereof by delivering to Operator notice of termination not less than one (1) year before the termination date specified in the termination notice.

#### 25.2.3 Taking.

In the event that any federal, state or local government or agency or instrumentality thereof (including the City) shall, by condemnation or otherwise, take title, possession or the right to possession of the Leased Premises or any part thereof, the City may, at its option, terminate this Lease Agreement as of the date of such taking, and if Operator is not in default under any of the provisions of this Lease Agreement on said date, any rent prepaid by Operator shall, to the extent allocable to any period subsequent to the Effective Date of the termination, be promptly refunded to Operator.

#### 25.2.4 Court Decree.

In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the City of any of its material obligations under this Lease Agreement, then either party hereto may terminate this Lease Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the Effective Date of termination) shall thereupon terminate. If Operator is not in default under any of the provisions of this Lease Agreement on the Effective Date of such termination, any rent prepaid by Operator shall, to the extent allocable to any period subsequent to the Effective Date of the termination, be promptly refunded to Operator.

### Section 25.3 TERMINATION BY OPERATOR.

The Operator, at its option, may declare this Lease Agreement terminated in its entirety, with no penalty to or further liability of Operator, upon the happening of any one or more of the following events:

#### 25.3.1 Injunction Or Restraining Order.

A court of competent jurisdiction issues an injunction or restraining order against the City preventing or restraining, in its entirety or substantial entirety, the use of the Airport for Airport purposes.

#### 25.3.2 City Abandons Airport.

The City abandons the Airport for a period of at least thirty (30) consecutive days and fails to operate and maintain the Airport in such manner as to permit landings and takeoffs of airplanes by scheduled air carriers.

**25.3.3 Material Interference With Operators' Normal Business.**

The Airport, the Facility, or the CONRAC, or a material portion thereof is destroyed, resulting in material interference with Operator's normal business operations or substantial diminution of Operator's Gross Revenues at the Airport for a period in excess of sixty (60) consecutive days.

**25.3.4 Taking by United States Government.**

An agency or instrumentality of the United States government or any state or local government occupies the Airport or a substantial part thereof for any reason, resulting in material interference with Operator's normal business operations or substantial diminution of Operator's Gross Revenues at the Airport for a period in excess of sixty (60) consecutive days.

**Section 25.4 CITY RIGHT TO ENTER LEASED PREMISES.**

The City shall have the right to enter the Leased Premises of Operator, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, fiber and communication services, and all other services and facilities, all as required by the City for its own use or benefit. The City and its authorized utility service provider are hereby granted a continuous easement or easements that the City believes is necessary within the Leased Premises, without any additional cost to the City for the purposes expressed hereinabove; provided, however, that the City by virtue of such use, does not substantially deprive Operator from its beneficial use or occupancy of the Leased Premises for an unreasonable period of time, not to exceed ten (10) working days, without consent of Operator.

END OF ARTICLE

## **ARTICLE 26 NO WAIVER; CITY'S RIGHT TO PERFORM**

### **Section 26.1 RECEIPT OF MONIES FOLLOWING TERMINATION.**

No receipt of monies by the City from Operator after the termination or cancellation of this Lease Agreement in any lawful manner shall (i) reinstate, continue or extend the Lease Term; (ii) affect any notice previously given to Operator; (iii) operate as a waiver of the rights of the City to enforce the payment of any Ground Rent, or other sums or charges otherwise payable by Operator then due or thereafter falling due; or (iv) operate as a waiver of the right of the City to recover possession of the Leased Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Lease Agreement, or after the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Leased Premises, the City may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation and/or Operator's liability hereunder.

### **Section 26.2 NO WAIVER OF BREACH.**

The failure of the City to insist in any one or more instances, upon a strict performance of any of the covenants of this Lease Agreement, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by the City of any sum (including Ground Rent, CFCs, Contingent Fee and Reimbursable City Costs) or charge otherwise payable by Operator, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the City of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the City. The consent or approval of the City to or of any act by Operator requiring the City's consent or approval shall not be deemed to waive or render unnecessary the City's consent or approval to or of any subsequent similar acts by Operator.

### **Section 26.3 NO WAIVER OF RENT.**

The receipt by the City of any installment of the Ground Rent, Reimbursable City Costs, or other sum or charge otherwise payable by Operator shall not be a waiver of any Ground Rent, Reimbursable City Costs, or other sum or charge otherwise payable by Operator then due.

### **Section 26.4 APPLICATION OF PAYMENTS.**

The City shall have the right to apply any payments made by Operator to the satisfaction of any debt or obligation of Operator to the City, in the City's sole discretion and regardless of the instructions of Operator as to application of any such sum, whether such instructions be endorsed upon Operator's check or otherwise, unless otherwise agreed upon by both Parties in writing. The acceptance by the City of a check or checks drawn by others than Operator shall in no way affect Operator's liability hereunder nor shall it be deemed an approval of any assignment of this Lease Agreement or subletting by Operator.

**Section 26.5 CITY'S RIGHT TO PERFORM.**

Upon Operator's failure to perform any obligation or make any payment required of Operator hereunder, the City shall have the right (but not the obligation) to perform such obligation of Operator on behalf of Operator and/or to make payment on behalf of Operator to such parties, following applicable notice and cure period. Operator shall reimburse the City the reasonable cost of the City's performing such obligation on Operator's behalf, including reimbursement of any amounts that may be expended by the City, plus interest.

END OF ARTICLE

## ARTICLE 27 ASSIGNMENT AND SUBLET

### Section 27.1 ASSIGNMENT.

Operator shall not transfer or assign this Lease Agreement or Operator's interest in or to the Leased Premises, or any part thereof, without having first obtained City's prior written consent, which may be given only by or pursuant to an ordinance enacted by the City Council of the City of San Antonio, Texas. Operator shall not transfer or assign this Lease Agreement to any Person that is not a Family or Brand listed in **Section 10.1.2.**, as amended from time to time. Notwithstanding the foregoing, Operator may assign this Lease Agreement to a parent, Subsidiary, Affiliate entity or newly-created entity resulting from a merger, acquisition or other corporate restructure or reorganization of Operator, or to any entity owned or controlled, or under common control, directly or indirectly by Operator, without the written consent of City, although written notice to City of any such assignment shall be provided by Operator. Also notwithstanding the foregoing, Brands authorized under this Lease Agreement may be assigned between Operators with the Aviation Director's consent. Also notwithstanding the foregoing and for so long as any pledge or collateral assignment of Operator's interest in the Lease Agreement shall be by instrument substantially in such form as shall have previously been approved by the City Council, the consent of City to such pledge or collateral assignment may be given by City acting by and through the Aviation Director. For purposes of any assignment, City shall have the right to renegotiate rental rates and all other terms of this Lease Agreement.

### Section 27.2 SUBLET.

Operator shall not sublet the Leased Premises or any part thereof without having first obtained the Aviation Director's written consent, not to be unreasonably withheld. In the event Operator requests permission to sublease, the request shall be submitted to the Aviation Director, prior to the effective date of the sublease requested, and shall be accompanied by a copy of the proposed sublease(s) and of all agreement(s) collateral thereto. Notwithstanding the foregoing, Operator shall not sublet this Lease Agreement to any Person that is not a Family or Brand listed in **Section 10.1.2.**, as amended from time to time. The identity of the sub-operator, the area or space to be subleased, the rental to be charged, the type of business to be conducted, reasonable financial history and all other information requested by the Aviation Director shall be specified. Operator shall not sublease a total of more than fifty percent (50%) of the Leased Premises and/or or its component building and Ground Space. If such limit is exceeded, City shall have the right, upon thirty (30) days' written notice, to recapture the space described in the sublease, and terminate the entire Lease Agreement on the expiration of such thirty (30) day period. In the event of any recapture, Operator's rental payments shall be adjusted on a pro-rata basis; provided, however, that all rights and remedies of City contained in **Article 24, Default**, shall be available to City.

### Section 27.3 ADDITIONAL RENT.

In the event of a sublease where the rental per square foot established in the sublease exceeds the rental for same established in the Lease Agreement, Operator shall pay to City, as additional rent, the excess of the rental received from the Sub-Operator over that specified to be paid by Operator herein per square foot; provided that Operator may charge a reasonable fee for administrative costs in addition to the sublease rental, not to exceed fifteen percent (15%) of the specified sublease rental. Such fifteen percent (15%) shall not be considered as excess rental. Nothing herein shall prevent Operator from charging a reasonable fee to others for the use of capital equipment and facilities on the subleased premises or charging for use of utilities and other services being paid for by Operator. Should any

method of computation of rental to be paid by a Sub-Operator, other than computation based upon a rental rate per square foot, be employed, the provisions of this paragraph will apply if the rental received for the proportionate area of the Leased Premises by Operator exceeds the rental paid to City for said proportionate area of the Leased Premises.

**Section 27.4 PARTIES BOUND.**

Each transfer, assignment or subletting to which there has been consent shall be by written instrument, in a form satisfactory to City, and shall be executed by the transferee, assignee or sub-operator, who shall agree, in writing, for the benefit of City, to be bound by and to perform the terms, covenants and conditions of this Lease Agreement. Four (4) executed copies of such written instrument shall be delivered to City. Failure either to obtain City's prior written consent or to comply with the provisions herein contained shall operate to prevent any such transfer, assignment or subletting from becoming effective.

**Section 27.5 OPERATOR'S LIABILITY.**

Should the subletting of the Leased Premises be approved by City, Operator agrees and acknowledges that it shall remain fully and primarily liable under this Lease Agreement, notwithstanding any such sublease and that any such sub-operator shall be required to attorn to City hereunder.

**Section 27.6 NON WAIVER RESPONSIBILITIES.**

The receipt by the City of rent from an assignee, subtenant or occupant of the Leased Premises shall not be deemed a waiver of the covenant in this Lease Agreement against assignment and subletting or an acceptance of the assignee, subtenant or occupant as a tenant or a release of the Operator from further observance or performance by Operator of the covenants contained in this Lease Agreement. No provision of this Lease Agreement shall be deemed to have been waived by the City, unless such waiver be in writing, signed by the Aviation Director.

END OF ARTICLE

## ARTICLE 28 NONDISCRIMINATION

### Section 28.1 NON-DISCRIMINATION POLICY.

As a party to this Lease Agreement, Operator understands and agrees to comply with the *Non-Discrimination Policy* of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein.

### Section 28.2 AFFIRMATIVE ACTION PROGRAM.

Operator assures that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Operator assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Operator assures that it will require that its covered sub-organizations provide assurances to Operator that they will require assurances from their sub-organizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

### Section 28.3 OPERATOR BOUND.

Operator agrees to bind contractually all its sub-organizations and sub-operators to all the foregoing terms and conditions.

END OF ARTICLE

**ARTICLE 29 AIRPORT CONCESSION DISADVANTAGED  
BUSINESS ENTERPRISE PROGRAM ("ACDBE")**

**Section 29.1 ACDBE PROGRAM COMPLIANCE.**

To the extent applicable to this Lease Agreement, Operator shall comply with all requirements of the City's ACDBE Program strictly in accordance with the terms of **Section 10** of the Concession Agreement.

**ARTICLE 30 NOTICES**

**Section 30.1 METHOD FOR NOTICE.**

All notices required under this Lease Agreement shall be in writing and shall be delivered either: (i) personally, (ii) by certified or registered mail, (iii) by recognized overnight courier, or (iv) by facsimile. Notices shall be deemed delivered (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; or (iii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient,

**Section 30.2 ADDRESS FOR NOTICE.**

All notices required under this Lease Agreement to the City shall be addressed as follows:

City Clerk \_\_\_\_\_  
P.O. Box 839966 \_\_\_\_\_  
San Antonio, Texas 78283-3966 \_\_\_\_\_

—  
And

Aviation Director  
City of San Antonio  
Department of Aviation  
9800 Airport Boulevard  
San Antonio, Texas 78216  
\_\_\_\_\_

All notices required under this Lease Agreement to the Operator shall be addressed as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_  
Telecopier: ( ) \_\_\_\_\_

Notices may also be to such other respective addresses as either party hereto may hereafter from time to time designate in the manner for notice required under this Lease Agreement.

END OF ARTICLE

## ARTICLE 31 GENERAL PROVISIONS

### Section 31.1 COMPLIANCE WITH LAWS.

In addition to, and not in lieu of, any more specific directive in this Lease Agreement, Operator shall comply with all applicable rules and regulations of the City pertaining to the Airport or other realty of which the Leased Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the City, its various tenants, invitees, licensees and the general public. Operator shall further comply with all applicable federal, state, and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters.

### Section 31.2 UPDATE OF TERMS.

The City shall, without the necessity of an amendment to this Lease Agreement, have the right to periodically update those requirements set forth in the table shown in **Section 10.1.2** and **Exhibits C, D, E, F, G, I, and J**, to reflect changes in practices for similar properties or operations either at the Airport or at other Airports nationwide. Without limiting the ability of the City to do so at other times, it is expected that the City will make such updates every ten (10) years at the commencement of each Concession Term.

### Section 31.3 ONGOING IMPROVEMENTS.

It is understood that the City may from time to time elect to alter, improve or remodel portions of the Airport. Operator agrees that any temporary inconvenience resulting from any such work by the City or its contractors and agents shall not be grounds for reduction of any sum or charge otherwise payable by Operator if the same shall not unreasonably interfere with Operator's use of the Leased Premises.

### Section 31.4 ELECTRONIC FUNDS TRANSFER; AUTOMATIC DEBIT.

The Operator may remit any amounts to be remitted or otherwise payable under this Lease Agreement by check or by electronic funds transfer to an account designated by the City from time to time. The City may further, at its sole option, upon not less than sixty (60) days prior notice to those Operators choosing to use electronic funds transfer, require those Operators to promptly execute and deliver to the City any documents, instruments, authorizations, or certificates required by the City to give effect to an automated debiting/electronic funds transfer system, whereby any or all payments by those participating Operators of whatsoever nature required or contemplated by this Lease Agreement shall be electronically debited and/or electronically fund transferred monthly or from time to time, as provided in this Lease Agreement, from participating Operator's account in a bank or financial institution designated by Operator and credited to the City's bank account as the City shall designate from time to time. Participating Operator's failure to properly designate a bank or financial institution or to promptly provide appropriate information in accordance with this **Section** ---- shall constitute a default of this Lease Agreement.

### Section 31.5 SERVICE FEE PROMPT PAYMENT.

Operator shall promptly pay all service fees and other charges connected with its use of an automated debiting system and/or electronic funds transfer system, including, without limitation, any charges resulting from insufficient funds in Operator's bank account or any charges imposed on the City.

### Section 31.6 RESPONSIBILITY FOR PAYMENTS.

Operator agrees that it shall remain responsible to the City for all payments and other charges pursuant to the Lease Agreement, even if Operator's bank account is incorrectly debited and/or electronically

transferred in any given month. Such fees and other charges shall be immediately payable to the City upon written demand.

**Section 31.7 BROKERS.**

The Operator warrants that it knows of no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease Agreement. Operator shall indemnify and hold the City harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of Operator's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders.

**Section 31.8 LABOR DISPUTES.**

Operator agrees to use its best efforts to avoid disruption to the City, its tenants or members of the public, arising from labor disputes involving Operator, and in the event of a strike, picketing, demonstration or other labor difficulty involving Operator, including the utilization of available legal remedies, to minimize and/or eliminate any disruption to the City, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

**Section 31.9 MANDATORY PROGRAMS.**

Operator understands that, from time to time, the City may institute certain programs that the City believes, in its sole judgment, will be in the best interests of the Airport and its tenants (e.g., Airport wide recycling programs). Operator agrees to promptly comply with and carry out any and all reasonable obligations issued by the City under such programs, as the same may exist from time to time.

**Section 31.10 SUCCESSORS BOUND.**

This Lease Agreement and each of its covenants and conditions shall be binding upon and shall inure to the benefit of the Parties hereto and their respective assignees, subject to the provisions hereof. Any successor or assignee of the Operator who accepts an assignment of the benefit of this Lease Agreement and enters into possession or enjoyment hereunder shall thereby assume and agree to perform and be bound by the covenants and conditions thereof. Nothing herein contained shall be deemed in any manner to give a right of assignment to Operator without the prior written consent of the City.

**Section 31.11 ACCESS TO LEASED PREMISES.**

The City shall have the right to show the Leased Premises at all reasonable times during business hours of Operator to any prospective operators or tenants of the same, and may at any time enter upon the Leased Premises, or any part thereof, for the purpose of ascertaining the condition of the Leased Premises or whether Operator is observing and performing the obligations assumed by it under this Lease Agreement, all without hindrance or molestation from the Operator, except that Operator shall have the right to accompany City. The City shall also have the right to enter upon the Leased Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Operator's failure to make any such repairs or perform any such work. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Operator (except that no notice shall be required in the event of an emergency) or an authorized employee of Operator at the Leased Premises, which notice may be given verbally.

**Section 31.12 SUBORDINATION, ATTORNMENT, AND NON-DISTURBANCE.**

Unless otherwise designated by the City, this Lease Agreement shall be subordinate to all existing or future mortgages and deeds of trust on the Leased Premises or the CONRAC, and to all extensions, renewals or replacements thereof. Within ten (10) business days of the City's request, Operator shall execute and deliver all instrument or certificates which may be necessary or appropriate to reflect such subordination. Notwithstanding the foregoing, Operator shall not be required to subordinate to future mortgages or deeds of trust unless the mortgagee or beneficiary under the deed of trust agrees that if it becomes the owner of the property, it will recognize the Lease Agreement as long as Operator is not in default. Within ten (10) business days of the City's request, Operator shall also execute and deliver to third parties designated by the City an estoppel certificate or letter in the form requested by the City or any lender the correctly recites the facts with respect to the existence, terms and status of this Lease Agreement. Operator agrees to attorn to any successor to the City following any foreclosure, sale or transfer in lieu thereof. So long as Operator is not in Default hereunder beyond the applicable grace or cure period, its tenancy will not be disturbed, nor its rights under this Lease Agreement, be affected by any default under such ground lease or deed of trust or mortgage nor will Operator, to the extent allowed by applicable law, be named as a defendant in any foreclosure proceedings.

**Section 31.13 TIME OF THE ESSENCE.**

Time is of the essence of each and every one of the Operator's obligations, responsibilities and covenants under this Lease Agreement.

**Section 31.14 ATTORNEYS' FEES.**

In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease Agreement or in the event suit is brought for the recovery of any Ground Rent, or other sum or charge otherwise payable by Operator this Lease Agreement or the breach of any covenant or condition of this Lease Agreement, or for the restitution of the Leased Premises to the City and/or eviction of Operator during the Lease Term, or after the expiration thereof, the prevailing party will be entitled to reasonable attorneys' fees, consultants' fees, witness fees and other costs, both at trial and on appeal. For purposes of calculating attorneys' fees, legal services rendered on behalf of the City by public attorneys shall be computed at hourly rates charged by attorneys of comparable experience in private practice in San Antonio, Texas.

**Section 31.15 LIABILITY FOR OPERATOR DEFAULT.**

In the event Operator defaults under this Lease Agreement, by failing to pay the full aggregate amount of Ground Rent due hereunder or thereunder, Contingent Fees, and all other obligations of the defaulting Operator with the exception of previously owed CFCs (for purposes of this Section 31.15 only, "**Lease Obligations**"), the defaulting Operator shall be and remain liable for any and all Lease Obligations under its respective Lease Agreement. Notwithstanding the foregoing, the remaining Operator(s) shall be responsible for the defaulting Operator's Ground Rent, Routine Maintenance, and Contingent Fees commencing from the date of termination of the defaulting Operator by the City. The payment of such Lease Obligations by the remaining Operators shall not relieve the defaulting Operator of any of its obligations to the City, whether arising under this Lease Agreement or such other Lease Agreement, as the case may be, and in the event the City thereafter actually receives all or any portion of such unpaid Lease Obligations from the defaulting Operator which any remaining Operators have theretofore paid to the City hereunder, the City shall, as soon as reasonably practicable thereafter, provide the remaining Operator(s) with a credit against remaining Operator(s)'s obligations for Lease Obligations next coming due and payable hereunder in an amount equal to such portion of the unpaid Lease Obligations so received by the City hereunder to the extent paid by remaining Operator(s). In addition, the Exclusive Use Premises and Common Use Premises then allocated to the

terminated Operator shall be reallocated to the remaining, non-defaulting Operators in the CONRAC, on a proportional basis based upon the market share of the remaining Operators for the most immediate twelve (12) month period prior to said termination date, and otherwise generally in accordance with the manner of reallocation contemplated in **Article 11**. The Operators Member Agreement shall expressly provide for and authorize the proportional liability and the other obligations set forth hereunder.

**Section 31.16 CAPTIONS AND ARTICLE NUMBERS.**

The captions, Article and section numbers, and table of contents appearing in this Lease Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or Articles of this Lease Agreement or in any way affect this Lease Agreement.

**Section 31.17 SEVERABILITY.**

If any term, covenant, condition or provision of this Lease Agreement, or the application thereof to any Person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Lease Agreement, or the application thereof to any Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**Section 31.18 SURVIVAL OF INDEMNITIES.**

All indemnities provided in this Lease Agreement shall survive the expiration or any earlier termination of this Lease Agreement. In any litigation or proceeding within the scope of any indemnity provided in this Lease Agreement, Operator shall, at the City's option, defend the City at Operator's expense by counsel satisfactory to the City.

**Section 31.19 APPLICABLE LAW; VENUE; WAIVER OF TRIAL BY JURY.**

This Lease Agreement is to be performed in Bexar County, Texas, and, the rights and obligations of the Parties hereto, shall be construed and enforced in accordance with the laws of the State of Texas. Venue for any action on or related to the terms of this Lease Agreement shall be exclusively in either Bexar County, Texas, and the Parties waive any right to assert a claim of inconvenient forum.

**Section 31.20 SUBMISSION OF AGREEMENT.**

The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of or option for leasing the Leased Premises. This document shall become effective and binding only upon execution and delivery hereof by the City and Operator. No act or omission of any officer, employee or agent of the City or Operator shall alter, change or modify any of the provisions hereof.

**Section 31.21 ENTIRE AGREEMENT; MODIFICATION.**

This Lease Agreement, together with the Concession Agreement, sets forth all covenants, promises, agreements, conditions and understandings between the City and Operator concerning the Leased Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the City and Operator other than as are herein set forth. No subsequent alteration, amendment, change or addition to the Lease Agreement shall be binding upon the City or Operator unless reduced to writing and signed by the City and Operator. The Aviation Director is authorized to execute amendments which do not substantially alter the material terms of this Concession Agreement.

**Section 31.22 RELATIONSHIP OF CITY AND OPERATOR.**

Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease Agreement nor

shall any acts of Operator and the City be deemed to create any relationship other than that of Operator and the City. Operator is not an employee or agent of the City by reason of this Lease Agreement, or otherwise. Operator shall be solely responsible for its acts and omissions arising from or related to its operations or activities at the Airport, or lease of property herein.

**Section 31.23 EXHIBITS.**

**Exhibits A through J** are attached to this Lease Agreement after the signatures and by this reference incorporated herein.

**Section 31.24 CONFORMANCE WITH LAWS AND REGULATIONS.**

Operator agrees that, in all activities on or in connection with the Leased Premises, and in all uses thereof, including the making of any alterations, changes, installations, or other improvements, it will abide by and conform to all laws and regulations. Said laws and regulations shall include, but are not limited to those prescribed by the any City ordinances, including the City Code thereof; any ordinances, rules and codes of the City; and any applicable laws of the State of Texas and federal government, as any of the same now exist or may hereafter be adopted or amended. In particular and without limitation, Operator shall have the sole and exclusive obligation and responsibility to comply with the requirements of the City's Code and the Americans With Disabilities Act of 1990, including but not limited to regulations promulgated thereunder, and the City shall have no such obligations or responsibilities as to the Leased Premises.

**Section 31.25 INTERPRETATIONS.**

All terms defined in this Lease Agreement and all pronouns used in this Lease Agreement shall, unless the context clearly requires otherwise, be deemed to apply equally to singular and plural and to all genders. The term "or" is specifically used in its logical sense and, as such, is satisfied whenever one or more of its operands are true.

**Section 31.26 TABLE OF CONTENTS AND HEADINGS.**

The table of contents, titles and headings of the Articles and sections of this Lease Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

**Section 31.27 LIBERAL CONSTRUCTION AND AMBIGUITIES.**

This Lease Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and, to provide for the full and timely payment of all Bonds from time to time hereafter issued by the City, which Bonds may be secured by a pledge of the CFC(s) for which Operator has an obligation to collect and remit under this Lease Agreement and Contingent Fee which Operator has an obligation to pay under this Lease Agreement. In the event of any ambiguity contained herein, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

**Section 31.28 FEDERAL AVIATION ADMINISTRATION REGULATIONS AND REQUIREMENTS.**

(a) The City reserves the right to further develop or improve the landing area of San Antonio International Airport as it sees fit, regardless of the desires or view of Operator and without interference or hindrance.

(b) The City reserves the right, but shall not be obligated to Operator to maintain and keep in

repair the landing area of San Antonio International Airport and all publicly owned facilities of said airport, together with the right to direct and control all activities of the Operator in this regard.

- (c) This Lease Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the City and the United States, relative to the development, operation or maintenance of San Antonio International Airport.
- (d) There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the San Antonio International Airport.
- (e) Operator agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises.
- (f) Operator by accepting this expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation of fifty (50) feet. In the event the aforesaid covenants are breached, the City reserves the right to enter upon the land covered by this Lease Agreement and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Operator.
- (g) Operator by accepting this Lease Agreement agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from San Antonio International Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, reserves the right to enter upon the Leased Premises and cause the abatement of such interference at the expense of Operator.
- (h) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of § 308a of the Federal Aviation Act of 1958 (49 U.S.C. § 1349a).

**Section 31.29 WAGES.**

Operator shall pay at least the minimum wage, as required by Federal and State statutes and City ordinances, to employees of its operations hereunder.

**Section 31.30 FORCE MAJEURE.**

If either party shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, war, terrorism, inability to procure materials, restrictive governmental laws or regulations or other cause, without fault and beyond the control of the party obligated (the financial inability of the party excepted), performance of such act shall be extended by a period equal to the period of such delay; provided, however, that nothing in this

paragraph shall excuse Operator from the prompt payment of any rental except as may be expressly provided otherwise in this Lease Agreement; and further provided that the party relying on this paragraph shall provide written notice to the other party notifying such other party of the *force majeure* event promptly after such *force majeure* event, and shall proceed with all diligence to complete the performance of the act upon the cessation of the *force majeure* event.

**Section 31.31 CONFLICT OF INTEREST.**

Operator acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a “prohibited financial interest” in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Pursuant to the subsection above, Operator warrants and certifies, and this contract is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. Operator further warrants and certifies that it has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City’s Ethics Code.

**Section 31.32 AUTHORITY OF AGREEMENT.**

Operator warrants and represents that it has the right, power, and legal capacity to enter into, and perform its obligations under this Lease Agreement, and no approvals or consents of any persons are necessary in connection with it. The execution, delivery, and performance of this Lease Agreement by the undersigned Operator representatives have been duly authorized by all necessary corporate action of Operator, and this Lease Agreement constitutes a legal, valid, and binding obligation of Operator, enforceable in accordance with its terms.

**Section 31.33 AUTHORITY OF AVIATION DIRECTOR.**

The Aviation Director shall administer this Lease Agreement on behalf of City. Whenever this Lease Agreement calls for approval by City, such approval shall be evidenced, in writing, by either the Aviation Director or the City Manager of the City of San Antonio or his/her designee. In no event shall this language be considered a waiver by Operator to object to decisions by the Aviation Director which it considers to be arbitrary, capricious or inconsistent with any express obligations to act reasonably set forth herein.

**Section 31.34 NET AGREEMENT.**

It is the intent and purpose of the City and Operator that all rental payable by Operator herein shall be absolutely net to the City so that this Lease Agreement shall yield to City the entire rent specified, in each year of this Lease Agreement, free of any charges, assessments, impositions or deductions of any kind or character which may be charged, assessed, or imposed on or against Operator or the Leased Premises, without abatement, deduction or set-off by Operator.

**Section 31.35 NOISE CONTROL.**

Operator, for itself and each of its officers, representatives, agents, employees, guests, patrons,

contractors, subcontractors, licensees, subtenants, invitees, or suppliers shall not conduct any operation or activity on the Leased Premises, or elsewhere at Airport, in which the sound emitting therefrom is of such volume, frequency or intensity at such time as to constitute a nuisance. The Aviation Director shall have the sole and exclusive authority to determine what constitutes a nuisance under the provisions of this Lease except that operations and activities having noise levels not in violation of federal, State, or local governmental standards shall not be deemed a nuisance.

**Section 31.36 VEHICULAR AND EQUIPMENT PARKING.**

Vehicular and equipment parking in areas other than the Leased Premises by Operator, its officers, representatives, agents, employees, guests, patrons, volunteers, contractors, subcontractors, licensees, suppliers or other invitees shall be restricted to such areas at Airport as are designated by the Aviation Director.

**Section 31.37 ADDITIONAL FACILITIES.**

The City may elect to construct and install additional facilities or improvements to the Facility as follows: the City may, with notice to the Operator and opportunity to comment, but without any requirement for the consent or approval of the Operator, construct and install additional facilities for any of the following reasons: (i) the additional facility is required by a Governmental Authority; (ii) the additional facility is of an emergency nature, which, if not made, would substantially impair the current safe operation of the Facility or the CONRAC; (iii) the additional facility is to repair or replace the Facility or the CONRAC as a result of damage or destruction by fire or other casualty; or (iv) the additional facility is necessary to upgrade security, safety or to make repairs, replacements or improvements to roads, walkways or equipment providing safe access to and from the Facility or the CONRAC. In the event any such additional facilities become necessary, the City shall promptly provide to the Operator notice of the need thereof, and the Operator shall have an opportunity to provide comment concerning the proposed additional facilities, but no Operator objection shall operate to limit or delay the construction or installation of such additional facilities.

**Section 31.38 CHANGE OF FACILITY USAGE.**

Should the City repurpose the use of the Facility to uses other than rental car operations while Bonds are outstanding, the City will, in its sole discretion, either refund the outstanding bonds or assume responsibility for paying debt service on the bonds with Airport funds other than CFC proceeds.

**Section 31.39 NO LIMITATION ON CITY.**

Nothing in this Lease Agreement shall be construed as a limitation on the ability of the City to issue bonds or other obligations for any legal purpose that it elects.

**Section 31.40 MOST FAVORED NATIONS.**

In the event that any Lease Agreement granted by the City to any other Rental Car Operator shall contain any terms and conditions more favorable to such Operator than the terms and conditions herein described (other than the number of allocated parking spaces and the location within the Customer Service Center), then this Lease Agreement shall be amended to include such more favorable terms and any offsetting burdens that may be imposed on any such other operator. The intent of this provision is to ensure that the City shall give due diligence to ensure Operator will be able to compete on terms as equal as possible with all other Rental Car Operators and to ensure that no other Operator shall enjoy any rights or privileges more favorable to such Operator than those enjoyed by the Operator herein.

END OF ARTICLE

**ARTICLE 32 SIGNATURES**

IN WITNESS WHEREOF, the Parties have executed this Lease Agreement as of the date first above written.

\_\_\_\_\_ CITY OF SAN ANTONIO

By: \_\_\_\_\_ By: \_\_\_\_\_

City Manager

Printed Name: \_\_\_\_\_

Position: \_\_\_\_\_

Attest: \_\_\_\_\_

City Clerk

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Federal Tax Identification Number

\_\_\_\_\_  
City Attorney

**Exhibit A**  
**San Antonio International Airport**

**Exhibit B**  
**Tenant Design Manual**

**Exhibit C**  
**Project Site and Lease Site**

**Exhibit D**  
**Floor Plan Summary Sheet**

**Exhibit D-1 – Level 0 Plan**

**Exhibit D-2 – Level 1 Plan**

**Exhibit D-3 – Level 2 Plan**

**Exhibit D-4 – Mezzanine Level Plan**

**Exhibit D-5 – Level 3 Plan**

**Exhibit D-6 – Level 4 Plan**

**Exhibit D-7 – Roof Level Plan**

**Exhibit E**  
**Summary of RAC Space Allocation**

**Exhibit E-1 – Initial Allocation: Level 2 Plan**

**Exhibit E-2 – Initial Allocation: Level 3 Plan**

**Exhibit E-3 – Initial Allocation: Level 4 Plan**

**Exhibit E-4 – Initial Allocation: Roof Level Plan**

**Exhibit E-5 – Initial Allocation: CSC Lobby Plan Mezzanine Level**

**Exhibit F**  
**Illustration of Ground Rent Allocation**

**Exhibit G**  
**Preliminary Financial Plan**

**Exhibit H**  
**Form of Payment Bond for Tenant Improvements**

**Exhibit I**  
**CFC Remittance Form**

**Exhibit J**  
**Operations Manual**  
*[to be added as exhibit when complete]*

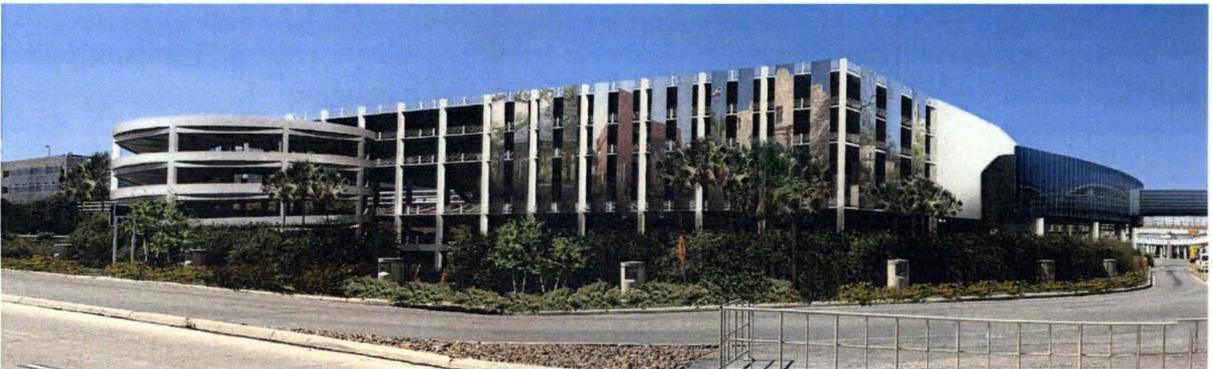
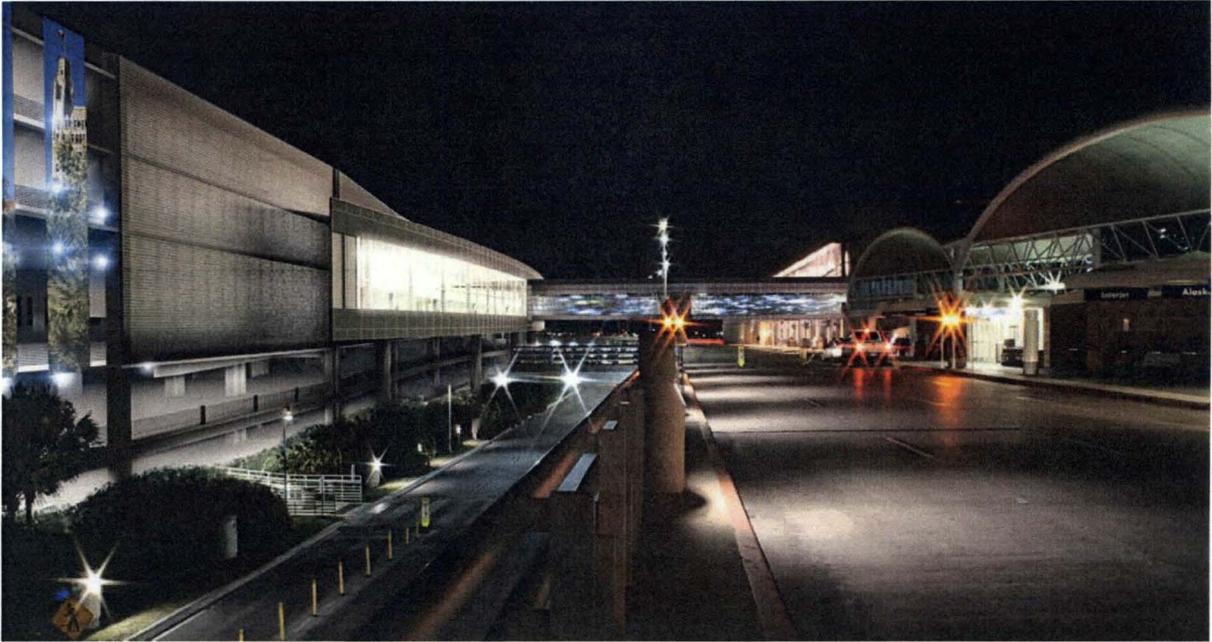
**Exhibit A**  
**San Antonio International Airport**



**Exhibit B**  
**Tenant Design Manual**

# San Antonio International Airport - Consolidated Rental Car Facility

## Tenant Design Criteria Manual



May 19, 2015

**DRAFT**



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EXHIBIT I: LEVEL 4 CUSTOMER SERVICE LOBBY PLAN
EXHIBIT J: CSB CORE PLANS
EXHIBIT K: REINFORCED STRUCTURAL ZONE PLAN

## References

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SAN ANTONIO INTERNATIONAL AIRPORT DESIGN, RENOVATION & CONSTRUCTION PROCEDURES

SAN ANTONIO INTERNATIONAL AIRPORT SUSTAINABILITY GUIDELINES

CONSOLIDATED RENTAL CAR FACILITY LEASE AND LICENSE/CONCESSION AGREEMENT AT SAN ANTONIO INTERNATIONAL AIRPORT

## SECTION ONE

### 1.0 Introduction

The purpose of this Program Criteria Document (Tenant Design + Construction Guidelines) is to establish standards for the Rental Car Operators to design and construct improvements to their lease premises within the San Antonio International Airport – Consolidated Rental Car Facility and to outline the Tenant Improvement submittal and approval processes.

This document covers the following project components:

1. Rental Car Customer Service Building (“CSB”)
2. Rental Car Ready/Return Garage (“Garage”)
3. Rental Car Quick Turn Around Area (“QTA”)
4. QTA Support Building
5. Public Parking Facility (“PPG”)
6. Service Yard

It is intended that this Document will be read in conjunction with the Project drawings and specifications prepared by the Project Design Team and the documents referenced in Section 3.1 herein. In the event of any inconsistencies or ambiguities between this Document and any other document, the Airport shall be the sole interpreter of the documents. Decision by the Airport or their authorized designee shall be final.

### 1.1 Definitions

- ADA - The Americans with Disabilities Act as enacted as Federal Law.
- Airport – The term as used in this document means the same as Owner, which is the San Antonio International Airport, or the Owner’s authorized representative.
- Approval - Words such as "approve", "approved", "approval", and words of similar import shall mean that approval of the Airport, or similar jurisdictional body, is intended unless stated otherwise. Approval shall always be in writing.
- Base Building (“BB”) – Includes all improvements that shall be designed, funded and constructed outside of the Tenant Exclusive Use Areas: Site Development, Customer Service Building, QTA and the Garage.
- Base Building Design Team (“BBDT”) – Design Team comprised of multi-disciplined architects and engineers who shall design the Base Building project components. The Prime Architect leading the BBDT is TranSystems.
- Base Building Construction Manager (“BBCM”) – Construction Manager shall be responsible to coordinate the construction of all Base Building project components: Site Development, Customer Service Center, QTA and the Garage. The BBCM is Turner Construction.

- Booth – Also referred to as Customer Service Booth, Kiosk or Building, a free standing, self-contained, fire rated service facility which are located within the Rental Car Ready/Return or Public Parking areas of the Garage, within the limits set forth by the Project. Booths are intended to house equipment and persons to assist the public parking or rental car operations or customers within the Project. Booths may be installed by the Airport as part of the Base Building or may be installed by Tenants as a Tenant Improvement.
- By Others - Wherever the phrase "by others", or similar phrases occur, the intent is to mean that the mentioned or involved portion of the work, or described operation for the work, so identified; is NOT performed or provided by the Airport.
- Commencement Date (Date of Beneficial Occupancy) – Means that date as defined in the Consolidated Rental Car Facility Lease and License/Concession Agreement.
- Common Area Space – Areas within the facility that are not leased to an individual tenant, and may be used in common with other tenants, the public or the Airport.
- Construction Documents – The design drawing, specifications, shop drawings and other documents provided by the Airport and prepared by TranSystems, their sub-consultants or others authorized by the Airport to provide same.
- Customer Service Building ("CSB") - The Customer Service Building located on level four (4) of the facility, including the customer service lobby, customer service amenities, rental car operator customer service counters, rental car customer service back office areas, concession areas, and pedestrian circulation areas.
- Demising Line - The line of demarcation separating the leased area of one Tenant(s) from other Tenants or Common Area Spaces.
- Exclusive Use Areas ("EUA") - Areas within the Project exclusively leased to one Tenant for its use and enjoyment. This includes, but may not be limited to, areas within the Customer Service Building, Rental Car Garage, QTA, overflow parking areas and as indicated in this document and in the Consolidated Rental Car Facility Lease and License/Concession Agreement.
- Existing Conditions – As used herein, refers to the conditions existing at the time of the completion of the Base Building improvements by the Airport.
- Furniture, Fixtures, and Equipment ("FF&E") – Tenant's proprietary furnishings, trade fixtures, proprietary equipment/systems and personal property which are not permanently affixed, and can be removed without damage to the premises.
- Guarantee/Warranty - No distinction between the meaning of the words "guarantee" and "warranty" or their derivative word forms is intended or implied by any Document of this Contract. These words are used interchangeably. Guarantee and Warranty refer to "performance of the work" and are commonly associated with time. The Base Building Warranty is one (1) year.
- Rental Car and Public Parking Facility ("Facility") – Means the seven (7) level structure at the San Antonio International Airport housing public parking on Levels one (1) and two (2); a rental car Customer Service Building on Level four (4); rental car operational areas on Levels three (3), five (5), six (6) and seven (7); the adjacent three (3) level QTA, with vehicle fuel, wash and maintenance facilities; and the QTA support building and service yard at Level one (1). The Facility also includes miscellaneous building and rental car operational support areas

and facilities, loading dock and trash collection areas, a remote fuel tank storage facility and a fuel piping and distribution system.

- Lease – Refers to the **Consolidated Rental Car Facility Lease and License/Concession Agreement** at San Antonio International Airport, between the Airport and the Tenants. If any conflicts exist between the Lease and this document, the Lease shall prevail.
- Leased Space – Areas that are leased to a Tenant individually or to tenants collectively.
- Perform - The word "perform" shall mean that the Contractor, at Contractor's expense, shall perform all the operations necessary to complete the work or the mentioned portions of the work, including furnishing and installing of materials as indicated, specified, or required to complete such performance.
- Product - Any or all materials, systems, and equipment incorporated or to be incorporated into the Project or any Tenant Improvement.
- Program Criteria Document - This document, which defines and governs the design and construction of the Project by the Airport and the Tenant Improvements by the Tenants.
- Project - Includes all improvements, finishes, systems and equipment designed, funded, constructed or installed by the Airport, the BBDT, the BBCM or others designated by the Airport. The Project shall include the Customer Service Building, Rental Car Garage, Quick Turn Around Areas, vehicle circulation ramps, and other support areas, building systems and operational systems specified by the Airport. Also referred to as Base Building ("BB").
- Project Funds – Funds provided by the Airport or others for the design, construction and improvement of the Project.
- Provide - The word "provide" shall mean that the Tenant Contractor, at Tenant Contractor's expense, shall furnish and install the work or mentioned portion of the work, complete in place and ready for the intended use. This definition applies the same to future, present, and past tenses except "provided" may mean "contingent upon" where such is the context.
- Quick Turn Around Area ("QTA") – A three (3) level facility housing individual rental car fuel, wash, maintenance and administrative areas. The QTA also includes ground level support functions including a loading dock and trash receptacles, and also includes a vehicle fuel storage facility and distribution system. The majority of the improvements and systems constructed and installed in the QTA are provided by the Airport and included in the definition of the Project. Portions of the QTA improvements and systems are Tenant Improvements provided by Tenant at Tenant's cost.
- Rental Car Garage ("Garage") - Includes the areas located on levels three, five, six and seven of the Project, which house customer service kiosks, ready and return stalls, vehicle circulation areas, exit kiosks and vehicle security systems. The Rental Car Garage contains both leased and common space.
- Schedule of Improvements – A schedule outlining items provided by the Airport as part of the Project and supplied by Tenant as a Tenant Improvement. Reference attached Exhibit A - Schedule of Improvements.
- Submit – The words "submit", "submittal", "submission" and other similar terms shall include the meaning of the phrase transmitted to the Airport, or their designee, for approval unless otherwise stated.

- Tenant – Means an entity that has executed a Consolidated Rental Car Facility Lease and License/Concession Agreement for the Facility.
- Tenant Access Date – Means that date as defined in the Consolidated Rental Car Facility Lease and License/Concession Agreement.
- Tenant Contractor - The general contractor and sub-contractors engaged by Tenant and responsible for construction and/or installation of Tenant Improvements.
- Tenant Construction Manager ("Tenant CM") - Construction Managers selected and employed by the Tenants, either individually or collectively to oversee and manage the construction of Tenant Improvements by the tenant selected contractors.
- Tenant Design Team - Architectural and engineering firms engaged by the Tenant to design Tenant Improvements at their request.
- Tenant Improvements – Improvements, fixtures, equipment and systems to Tenant's Leased Space within the Project that are not provided by the Airport and are not paid with project funds. Tenant Improvements require review and approval by the Airport prior to installation, unless specifically exempted.
- Tenant Project Manager - As used in this document means Tenant's authorized representative for the management of Tenant Improvements within the Facility.
- Tenant Representative – As used in this document means the Airport and Tenant(s) authorized technical representative for the management of Tenant issues and concerns during the Schematic Design through Construction phases.

## 1.2 Project Delivery Approach

The following has been adopted as the procedure by which the Project shall be designed and constructed.

The Airport has selected a comprehensive BBDT, led by TranSystems, which includes architects, engineers, and specialist sub-consultants. The Airport has also selected one entity to provide BBCM services. The BBCM selected is Turner Construction.

The Airport, through its BBDT and BBCM is responsible for the design and construction of the Project BB areas as defined in this document, the Schedule of Improvements (Exhibit A), the Lease, the Construction Documents, including the construction drawings and specifications, and such other documents, codes, regulations and requirements as may be applicable.

Tenants shall design, construct and install various improvements, trade fixtures, furnishings and equipment to conduct a rental car business within their respective lease premises. Collectively, these shall be deemed Tenant Improvements. Tenants shall engage the services of architects, engineers, contractors, suppliers and vendors to perform their Tenant Improvements. The selection of Tenant's design team, contractors, vendors and suppliers must conform to the rules, regulations, ordinances, licensing and other requirements of the Airport, County of Bexar, State of Texas and other regulatory bodies.

The process for constructing or installing Tenant Improvements shall require that each element or component be submitted to the Airport, or the Airport's designee, for the Airport's review and approval before construction or installation by Tenant or Tenant's Contractors or vendors.

Following the Airport's review and approval, the Tenant Improvements may be submitted to the City of San Antonio's Development Services Department for Permitting.

### **1.3 Schedule**

It is essential that the Facility, including any and all Tenant Improvements, be completed and operational pursuant to the terms of the Lease. Therefore each Tenant shall be required to meet certain critical milestone dates for the submission of comments to BBDT drawings, BBCM Requests for Information, submission of Tenant Improvement drawings and specifications, and completion of its design and construction. Guidelines for schedule compliance are listed in the following sections.

## SECTION TWO

### 2.0 Project Scope and Definition

The following describes the general scope and definition of the design and construction activities to be performed by the Airport, the BBDT and the BBCM that are included within the definition of the Project. The main components of the building structure and systems (mechanical, plumbing, fire protection, electrical, communications, data and emergency response) will be “roughed-in” as part of the BB construction. Tenants should also consult the Consolidated Rental Car Facility Lease and License/Concession Agreement, Project design drawings and specifications, and the Schedule of Improvements (Exhibit A) for further detail on the definition or clarification of the improvements to be provided by the Airport as part of the Project. Improvements, systems, furniture, trade fixtures or other items desired by Tenant, and not included within the scope and definition of the Project, are deemed to be Tenant Improvements and shall be provided, installed or supplied by the Tenant, at Tenant cost.

### 2.1 Project Scope

As part of the Project BB scope, the Airport will provide a certain level of finish to the Tenant occupied lease space. Items included in the Project BB construction, the common areas improvements or the tenant finishes provided by the Airport are deemed to be included in the Project, and will be funded from Project Funds. The scope and definition of project costs are set forth in the Lease. Design services, improvements, fixtures and other items not included in the Project Costs are deemed to be Tenant Improvements as outlined in Exhibit A and will be paid for by the Tenant user.

### 2.2 Customer Service Center

#### 2.2.1 Introduction

Tenants shall lease space within the CSB to conduct their vehicle rental and other customer service transactions. The layout of this leased area(s) shall include, but is not limited to; customer counters, queuing space and support offices. All customer operations and any other activity shall be contained within the physical boundaries of the leased area. All improvements, signage, furnishings, etc. shall be contained within the limits of the leased area. However, the Airport may permit the installation of free standing, self-service rental kiosks in the CSB lobby, subject to such locations, conditions and requirements as the Airport may determine in its sole discretion. Reference attached Exhibit B – Customer Service Building Plan.

All portions of the CSB shall be declared “Non-Smoking”. There shall be no designated smoking areas within any portion of the CSB, inclusive of vertical circulation cores.

#### 2.2.2 Customer Service Lobby

##### A. Customer Service

##### i) Counters

A continuous counter shell, extending the full length of the Rental Car customer service area, is being provided as part of the BB work. Conduit for carrying power, telecom and data lines to each counter position from the tenant communications rooms is also being provided as part of the BB work. The cabling will be run in that conduit as part of the Tenant Improvement work.

Tenant shall provide counter inserts of its own design to house its customer service equipment, computer, printers, work surface, trash receptacles, supplies, and other items necessary for its customer transactions. Tenant shall supply the necessary equipment, systems, trade fixtures and other items to conduct its counter business. Tenant's counter inserts, data and communications systems, and equipment are Tenant Improvements supplied at Tenant cost.

ii) Queue Area

A 19" (foot) deep area extending from the face of the customer service counter out into the lobby will be a dedicated common use area available for queuing. Each tenant shall be allowed to place stanchions in front of their counters and within the counter lease line. The stanchions shall be provided by the tenant. The stanchions shall comply with CDA standards.

**B. Tenant Back Wall Signs and Corporate Identity Program**

Tenant shall install corporate brand identification back wall treatment and signage designed in a manner compatible with, and complementary to, adjacent and facing walls and fasciae within the overall design concept of the CSB. Dynamic signage may be installed on the back wall only, may not protrude from the wall surface greater than twelve inches (12"), must meet all applicable ADA and code requirements, may not emit sounds or noises, and both the dynamic signage (i.e.: monitor, screen, etc.) and the message(s) to be conveyed are subject to prior approval by the Airport or their designee. Electrical connections are provided by Airport and are located as noted in the construction documents. Elements that generate excessive heat and add significantly to the loads in the conditioned spaces of the Project will not be allowed.

All back wall treatments, graphics and signage are considered Tenant Improvements.

Tenants are encouraged to use their brand specific corporate standard colors and designs. Tenant's back wall signage should be of a size that is graphically pleasing, of a scale consistent with Tenant's back wall area, and must fit within the Tenant's demising lines. Tenant must submit their proposed signage concepts, colors, finishes and materials to the Airport for prior written approval before fabrication and installation. Signs may be illuminated or non-illuminated. Dimensions for back wall signage will be set, with a drawing describing the limitations provided in the BB construction documents.

**C. Sign Criteria**

All signs shall comply with applicable codes regarding materials, electrical connections, and general construction and must bear the UL label and have valid sign permits. All permits shall be the responsibility of the Tenant.

Lighted signs are to remain on at all times. Signs shall be externally illuminated, back illuminated or internally illuminated. Backlit components must be contained wholly within the depths of letters and forms. Maximum brightness may not exceed one hundred foot lamberts and is subject to Airport approval. When internally illuminated letters and forms are used they must be dimensional, with returns. Hums, flickers and light leaks are not permitted.

Attachment devices, bolts, clops threaded rods, fasteners, tubes, raceways, conduit and other mechanisms are to be concealed from public view. There shall be no visible labels and/or codes permitted on the completed signs, except for the UL label. Final letter and form dimensions shall be approved by the Airport.

The Airport reserves the right to reject any sign design, installation or portions thereof visible to the viewing public if, in the sole opinion of the Airport, it is deemed unacceptable workmanship or lacking in craftsmanship. The Airport will base its "premium quality" determination upon aesthetic guidelines discussed throughout this criteria and specifically on the following:

- All forms shall be crisp, precise, free of nicks, ragged edges and discontinuous or deformed curves. Signs shall have smooth, even, level panel surfaces, constructed to remain flat under installed conditions within a tolerance of plus-or-minus 0.0625", measured diagonally. No gaps, light leaks, waviness or oil canning of surfaces will be acceptable. Joints and seams shall be filled, ground and finished flat and smooth without distortion, pitting or other blemishes. Seams shall be invisible after final primer and finish has been applied. Spot welded joints shall not be visible on exterior of signs after final finish has been applied.
- All cutting and routing shall be executed in such a manner that all edges and corners of finished forms are true and clean.
- Paint, sealants and finishes shall not, within 5 years, develop excessive fading or non-uniformity of color or shade, and will not crack, peel, pit, corrode or otherwise fail as a result of defects in material or workmanship. Defects shall not be discernible from a distance of 10' (3m), resulting from the natural elements in the atmosphere at the project site.
- Sign assemblies and components shall be completely fabricated at the factor before delivery to the facility. All finishing and applications are to be completed in the sign contractors fabricating facility. No site application or finishing will be permitted except for touch up work.
- Signs shall be set plumb, level and true as measured from established reference points and from other signs already in place.
- All installed signs shall be cleaned and free of soil, grease or other foreign matter prior to the Tenants Sign Contractor leaving the site.

The Airport recommends that as part of the agreement between the Tenant and the Tenant Sign Fabrication Contractor that the contractor's installers shall agree to repair or replace work which has failed as a result of defects in workmanship, materials or installation. In addition, the Tenant shall be responsible to replace signs which have over time deteriorated below the minimum standards requirement.

The Tenant is responsible for all signs, permits, power sources, connections and installations. The Tenant is also responsible for all sign designs, workmanship, coordination, permits, power sources, connections and installations. All sign work for tenancy will be done solely at Tenant's expense.

Prior to fabrication of any sign, Tenant shall submit signage shop drawings to the Airport for review and approval. Drawings shall illustrate complete information for airport to understand the sign design and appearance. Submitted drawings shall provide the following:

- Type and size of all lettering and other sign elements in scale.
- Dimensioned overall elevation of sign in context.
- Sections and details through sign and mounting method(s).

- Materials, color swatches and specifications, fabrication technique and illumination.

Airport approval of sign shop drawing submittal is required prior to fabrication or installation. Signs that have not been approved by the Airport but installed by the Tenant may be removed by the Airport at the Tenant's expense.

#### **D. Tenant Back Door Sign**

The BB will provide one (1) identification sign adjacent to each door entering each Tenant's EUA for the sole purpose of identifying the staff entrance into the Tenant's lease area. The sign shall contain the corporate name only and placement is to be contiguous with leased Tenant space.

#### **E. Directional Sign Elements**

The Airport will provide all necessary way finding and code required signs within the facility common areas and for vehicular approach to the facility areas. Tenants shall provide current corporate identity graphic standards, including corporate colors and dimensions, in vector file format (EPS or AI), along with any pertinent usage specifications to the Airport for its use in providing these direction signs. The Airport will apply Tenant identification as required and appropriate for facility way finding. The Tenant shall provide corporate identity graphic information with their 30% Schematic Design Submittal.

### **2.2.3 Tenant Back Office**

#### **A. Demising Partitions and Interior Walls**

The BB will provide demising partitions, between individual tenants, between tenants and common use areas in the CSB and between tenants and the Ready/Return Garage. The BB will furnish and install the metal wall studs, insulation and the required wall finish on the public/common use side of the wall. Installation, taping, sanding and finishing of the drywall gypsum board on the tenant side of the demising walls will be the responsibility of each individual tenant.

Any modifications to Airport installed demising walls or interior partitions performed by Tenant shall meet the same standards as Airport's CSB building standards and shall be Tenant's cost. Any such Tenant Improvements shall also require the Airport's prior written approval.

Interior Tenant partitions, when not required to be a fire-rated partition or include a plumbing chase, may terminate at the suspended ceiling, unless otherwise required by Code. Demising walls shall go to the underside of the structure and shall be insulated.

#### **B. Floor Loading**

Tenant and Tenant's design and construction team shall refer to the design documents, drawings and specifications for permissible floor loading in each area of the CSB, Garage and QTA. See Exhibit L – Reinforced Structural Zones. Tenant shall meet any special requirements for floor loading above certain limits for areas of heavy floor loading, such as areas of dense filing, heavy equipment, libraries, etc., as such requirements are determined by the Airport following its review of the Tenant Improvement submittals and written approval thereof. The structural impact to the affected area shall be verified by Tenant's structural engineer with required calculations and structural plans and details, and shall be coordinated with the Tenant Improvement Plans prior to submittal to the Airport for review.

### **C. Attachment to Structure**

All elements of the Tenant's proposed Tenant Improvements, which are to be suspended from the structure within the leased premises or affixed to a building wall, floor, or roof, shall be detailed, (including method(s) of attachment and load calculations), in the Tenant Improvement Plans, submitted to the Airport for prior written approval. Installations shall not, in any way, impede the maintenance of the building or building systems.

### **D. Floor/Roof/Wall Penetrations**

Penetrations of any floor, wall or structural element shall require the prior written approval of the Airport. Such penetrations shall be kept to a minimum. Penetrations shall be located to eliminate the possibility of compromising the structural integrity of the floor, roof or wall. Expansion bolts require x-ray at Tenant expense and prior approval of the Airport to ensure that structural integrity is not degraded. The installer shall be fully responsible for the repair or replacement of structural concrete and reinforcing that may be compromised as a result of installing the Tenant Improvements. Refer to Article XX of the Lease. In addition, Tenant shall be responsible for the monetary value of any lost use of space realized as a result of damage to the structure.

Tenant's Contractor shall coordinate all penetrations in the field with existing and supplemental structural members, HVAC and electrical systems. All floor, roof or wall openings shall be properly fire-safed to comply with the floor, roof or wall's fire ratings; and all systems, installations or equipment using the penetration shall possess the requisite fire ratings and/or protective coatings.

### **E. Hardware**

If Tenant requires electronically switched security or lock systems, such shall be installed as a Tenant Improvement. Tenant shall submit the necessary Tenant Improvement Plans for the Airport's prior written approval. Installation and operation of the electronic hardware shall be coordinated with the Airport's facilities security system.

All door hardware shall meet the requirements of the Americans with Disabilities Act (ADA) and current Building Code. All hardware shall match the BB finish, shall be a commercial grade keyway, and shall be keyed so that the Airport can obtain emergency access to the Tenant space.

### **F. Break Room Plumbing, Power and Millwork**

If a Tenant constructs an exclusive use Break Room within its exclusive lease area, the Tenant shall provide fixtures, branch cold water, waste and vent piping to the nearest Tenant cap. Power for electric hot water heaters shall be included as part of the power allowance assigned to the Tenant. The Tenant is responsible for costs of removal of Break Room plumbing fixtures, repair of concrete floor and replacement of interior walls and finishes upon termination of the Lease. Location and use of Break Rooms shall not adversely impact adjacent Tenant(s). CSB Break Rooms shall be located along the Southwest edge of the Back Office zone, as designated on the BB drawings. Break Rooms shall be properly insulated, ventilated and sound proofed so as not to disturb adjacent Tenants and customers. Break Rooms shall be negatively pressurized by the Tenant provided connection to Tenant exhaust fans.

Tenant installed millwork shall comply with American Woodworking Institute (AWI, Custom Grade Specification). Tenant shall include any Tenant installed millwork in its Tenant Improvement Plans for the Airport's prior written approval.

### **G. Toilet Rooms**

Toilet Rooms are provided by the BB in the common areas. Tenant will not be permitted to construct Toilet Rooms within any Tenant areas.

#### **H. Wall Finishes**

Wall finishes shall be of Class A, flame-spread construction or as defined by Code. All wall finishes shall be high-impact resistant, scratch and scrape resistant, and capable of being repaired in place. All wall finishes shall be washable in place. Finishes shall be low-VOC, as required by current version of LEED. The following finishes are permitted:

Gypsum Wall Surfaces - All gypsum wallboard partitions shall be constructed of 5/8" thick Type "X" gypsum board. Acceptable finishes for gypsum wall surfaces are the following:

- Vinyl Wall Covering - Type 2, minimum face weight of 22 ounces. Wall coverings shall be washable. Wall coverings shall be manufactured and installed to meet Federal Specification CCJ-W-408 - Wall Covering Vinyl Coated. Nicks, gouges and other minor imperfections of gypsum wallboard surfaces shall be filled, sanded smooth, and sealed prior to wall covering application. Paper-based wall coverings are prohibited.
- Paint - Paint shall be latex paint, three-coat application, with a manufacturers required minimum thickness and shall have an eggshell or satin finish. Oil-based and other paints with hazardous fumes or offensive odors are prohibited.

#### **I. Central Heating and Cooling Systems**

Any modifications to the supply/return systems required due to installation of walls, partitions or other Tenant Improvements shall be submitted to the Airport for prior written approval. Tenant Improvements shall not impede the maintenance of the building or building systems.

The BB CSB and the BB QTA Offices include HVAC systems with capacity for normal space conditioning and ventilation as described in this document. The base building HVAC systems that have been provided for tenants consist of indoor air handling unit located in the fourth level mechanical room of the PPG building for the CSB Tenant premises and roof-top air-conditioning unit located on the roof for the QTA Tenant lease premises. Each air handling unit provides at least 20% minimum outside ventilation air and necessary cooling supply air distributed to series fan type variable air volume terminal units (FPVAV) as temperature of 55°F-58°F and 0.5 inches WG pressure. Heating is accomplished at the FPVAV units utilizing heating water supply/return (HWS/R) piping. The FPVAV units have been designed to provide maximum primary airflows in the heating mode as identified on the base building drawings. A Direct Digital Control System (DDC) will control all aspects of the HVAC System. Thermostats with 50 feet of coiled wire have been provided under the base building contract for use by the Tenants. Any modifications to the ductwork, DDC controls or supply/return heating water systems required due to installation of walls, partitions or other Tenant Improvements shall be submitted as part of the Tenant Improvement Plans.

Tenant modifications to the FPVAV system shall be designed such that the Tenant space has neutral pressurization in relation to the adjacent spaces with break rooms negatively pressurized. The Tenant HVAC design engineer shall define the minimum primary air flow at each FPVAV unit to meet the latest building Code, assuming that the main air handling units have at least 20% minimum outside ventilation air.

#### **J. Tenant Area HVAC System Responsibility**

Within each Tenant EUA, the BB CSB and the BB QTA Offices include a fully operational HVAC system including supply ducts, a return air plenum and FPVAV boxes located to provide conditioned air into the unobstructed EUA area. The Tenant shall be responsible for modifying the base building HVAC system components within its EUA as required by the Tenant improvements within the EUA. It is assumed that each Tenant EUA will have maximum heat loads of 1.0 watts per square foot for lighting, 1 person for each 100 square feet at 250 Btu/h sensible load/250 Btu/h latent load, and 4.0 watts per square foot for equipment.

During the design process, each Tenant will be assigned individual variable air volume (FPVAV) boxes. FPVAV boxes have been provided with a capacity of approximately 1.0 CFM and 1.5 CFM of primary supply air per SF respectively for the CSC building and the QTA Offices. Relocation of base building DDC controlled thermostats for temperature control within the EUA shall be a Tenant responsibility. Each FPVAV box will have a thermostat and 50 feet of coiled wire for installation in walls furnished by the Tenant. The Tenant is responsible for air distribution within its space including ductwork, grilles, dampers, etc. Each Tenant shall utilize wrap insulated or acoustic lined sheet steel ductwork. Insulated flexible ductwork 4'-0" and shorter may be used to connect the steel ducts to air diffuser devices. Tenants shall be responsible to contract with the base building DDC system controls contractor to provide DDC programming to reset FPVAV system airflows to those required by the tenant design if lower than the base building scheduled values. Tenants may relocate FPVAV boxes at their expense. Tenants may add additional temperature control zones/FPVAV boxes and thermostats (including control system programming/ installation) at their expense assuming that the primary supply air flow to their lease premises from the main air handlers is not increased with the addition of the Tenant/s FPVAV boxes. Capped primary air supply ducts and HWS/R lines are available at various locations in the tenant lease premises.

Tenants must provide unobstructed access to all FPVAV units for maintenance purposes. A 6' x 6' floor area must be provided directly beneath all units free of any Tenant improvements or equipment per National Electric Code to access electrical clearance areas. Unobstructed access must also be available above the ceiling for ease of filter maintenance.

Each Tenant must provide return air paths such that the velocity of the air through the return openings shall not exceed 500 feet/minute such that return air from the space has a path back to the associated main air handler serving its space. Opening(s) shall vary in size relating to the size of the Tenant space.

The controls within Tenant leased premises shall utilize DDC (direct digital controls) provided by the BB DDC system control contractor. FPVAV units added by the tenant shall be controlled per the base building control and all points shall be addressed to and graphically displayed at the front end DDC user interface computer in the building manager's office that has been provided with the base building DDC system.

## **K. HVAC Noise Mitigation Guidelines**

The following are recommended guidelines for noise mitigation due to noise originating from VAV boxes above Tenant spaces, and it provides general principles for ductwork downstream of VAV boxes. For further information on HVAC noise control beyond the items addressed below, please refer to Chapter 47 of the ASHRAE Handbook.

### **Radiated Noise**

Radiated (casing) noise passes through the sides of the FPVAV box. Tables 1 show maximum radiated sound power levels in octave bands for NC-40 criteria based on the base building engineer's experience with these units and various ceiling types. The information below can be compared to manufacture's published octave band data. Where FPVAV boxes exceed limits established below, it is recommended multiple smaller boxes

be used instead of different ceiling types constructed. In general, mineral board ceiling tiles are recommended as a minimum.

Table 1: FPVAV Maximum Radiated Sound Power levels to Achieve NC-40

Ceiling Type	1/1 Octave Band Frequency (Hz)					
	125	250	500	1000	2000	4000
No Ceiling	64	60	54	48	44	42
Fiberglass ACT	66	62	56	51	47	45
Mineral Board ACT (CAC 35 or better)	69	67	62	58	55	53
GWB Ceiling	74	72	68	66	63	60

#### Ductborne Noise

Noise traveling through the ductwork, radiating out the diffuser is called “ductborne” noise. This noise may be mitigated by adhering to the following design guidelines:

- Minimum three (3) duct diameters from nearest elbow, branch, or other turbulence source to FPVAV box inlet to allow straightening of air flow into VAV box.
- Minimum ten (10) feet trunk duct work with 1” acoustical lining extending from the outlet of the FPVAV box.
- Minimum two (2) branches from trunk ductwork utilizing a minimum of five (5) feet of flex duct and one elbow.

#### Diffuser Noise

Diffusers generate noise as supply air passes through the vanes. It is recommended selected diffusers not exceed 7 NC points less than the room’s design criteria. For example, catalog data for a given diffuser should not exceed 33 for an NC-40 space. As a note, the chosen value accounts for the 10 dB loss typically included in manufacturer published data.

### L. Sanitary and Potable Water Systems

Branch waste and vent discharge pipe(s) will be available to each Tenant. Each Tenant shall be responsible for coring the floor (see structural section for requirements) and making the tie-in to the branch waste pipe at a capped tee such that the tie-in does not interfere with the waste from another tenant. Waste pipe routing below the QTA tenant premises shall not be installed with bottom of pipe below the bottom of the beams without prior written Airport approval. Tenant waste, traps and trap primer piping shall be insulated and electric heat traced where it is installed in unheated spaces. Vent pipes through the roof will be available to the Tenants. The Tenant is responsible for connecting to capped vents for sanitary fixtures installed, as required by the Building Code.

### **M. Potable Water Systems**

The BB construction will extend domestic cold water to the vicinity of Tenant leased premises where it will be capped and provided with a shut-off valve. The Tenant shall connect cold domestic water to its plumbing fixtures, drinking fountains, etc. Cost of this water piping connection shall be borne by the Tenant. All necessary plumbing fixtures, water heating devices and water meters (when required) shall be provided by the Tenant. Water heater power shall be part of the Tenant's metered, maximum power allowance.

### **N. Fire Sprinkler Protection Systems**

The BB CSB and the BB QTA offices include an automatic fire sprinkler protection system in accordance with applicable codes. EUA will be provided with an automatic sprinkler system with turned up heads. The Tenant shall design and provide additional sprinkler heads/branches or modify the existing sprinkler system in its EUA as required by the Building Code for its Tenant improvements. See the fire sprinkler routing drawings and BB MF Series sheets for fire sprinkler system logic.

The Tenant shall contract with the base building fire sprinkler subcontractor/registered fire protection engineer to perform hydraulic calculations to assure that tenant sprinkler extensions from the wet system meet the Code mandated flow rate and coverage requirements. The Tenant shall be responsible for acquiring the required permits for all fire sprinkler system modifications.

Tenant fire protection system modifications shall include all drain valves, test valves and tamper switches required by authority having jurisdiction.

### **O. Electrical Systems**

#### **i) Distribution**

It is the Tenant's responsibility to work within the service capacity and availability for their space.

The quantity of electrical power provided within the Facility is limited. As such, the quantity of electrical power available to each Tenant will be restricted, and subject to allocation among the Facility Tenants by the Airport.

#### **ii) Service Feeders**

Service feeders between CSB's switchgear and the Tenant's distribution boards/equipment will be provided and installed as a part of the BB Construction. Circuit breakers and safety switches in CSB's switchgear will be provided and installed by the Airport.

Electrical and communications closets have been provided as part of BB Construction, to serve as the electrical/communication demarcation points for the Tenants CSB EUAs. These electrical and communications closets are located within the vertical cores, adjacent to the Tenant space.

The maximum power allowance for each Tenant EUA is eight watts per square foot (8 w/SF). The Tenant shall be responsible for installing all electrical panels, power panels, transformers, electrical conduit, wiring, fixtures, etc. required to service the lighting and power needs of its space. All Tenant electrical panels or equipment shall be located within the Tenant's EUA.

It is the Tenant's responsibility to verify the service capacity and availability for its space. Each Tenant shall be responsible for providing sizing requirements based on its specific need.

### iii) Lighting and Electrical Devices

The Tenant shall provide all lighting fixtures within its EUAs, including emergency lighting, lamps and all related equipment, as required by code. All exit lights shall match the CSB BB standard, with regards to placement, size, colors, fonts and illumination.

In order to keep Tenant electrical and air conditioning (AC) loads within the planned CSB allowable loads, Tenants are encourage to use low wattage (high efficiency) lighting and other energy efficient fixtures within their exclusive use space.

### iv) Plenum Conduit and Cable Trays

If the Tenant requires an additional tray(s), an extension of the existing tray system, or additional cabling, in excess of the Airport supplied trays or cabling, it shall be the Tenant's responsibility to provide and install such items in a manner compatible with the existing system. Tenant Improvement Plans shall be submitted to the Airport for written approval.

Under no circumstances shall conduit or cables be draped over the suspended ceiling. Conduits and cables shall be supported by splay wires independent of wires used for support of lights, ceiling or other items, or in any way inhibit access to plenum areas for maintenance of the building or building systems.

### v) Emergency Power

The Facility will be fed by a backup power generator supplying power to the following areas: XX

For Tenant's critical computer applications, Uninterruptible Power Supplies (UPS) are recommended in the event of temporary power loss. All UPS systems shall be the Tenant's responsibility to provide, install and maintain.

## **P. Communication Systems**

The CSB BB construction will install a cable tray and/or conduit distribution system including a premises wiring system for Tenant communication and data. The premise wiring system will terminate in a demarcation box located within a communications room, with dedicated secure segments, adjacent to the Tenant lease areas. All tenants are required to use this premise wiring system. The Tenant shall connect its equipment to the BB demarcation box(es). All low voltage wiring shall be installed within conduit. All Tenant cables shall be marked every 50 feet or less with the Tenant name, vendor, type of system served, and a phone number to be called for additional information.

Tenants should ensure that their communications designers consider the distances involved when navigating between leased spaces. To provide maximum flexibility between equipment rooms, cross connection have been utilized. These connection points introduce line loss that will affect the performance characteristics depending on the available loss budget for the application. It is the responsibility of the Tenant to choose solutions that will effectively work in this environment and on the intended media.

Prior to installing any conduit, raceway, pull box, or communications cables, Tenant shall submit tenant Improvement Plans that are in accordance with the standards of, and shall obtain written approval from, the City of San Antonio's Development Services Department for permitting. All cables, inner-ducts, pull ropes, splice enclosures, cross-connects, termination equipment and associated accessories that are installed shall

become the property of the access provider. Tenant shall coordinate with the Airport when developing the Tenant Improvement Plans and adhere to any location-specific installation directions provided.

#### **P. CCTV System**

The BB will include a CCTV system with cameras installed at interior and exterior common use locations to enable the building Facility Manager and the Airport to monitor the operation of the CSB, Garage and QTA. Locations include, but are not limited to, access roadway, exterior plazas, escalator and elevator cores on each floor level, arrival and departure areas, and the CSB Lobby. Tenants will not have access to these cameras or views. Each Tenant may install and maintain its own CCTV system within its exclusive use premises.

#### **Q. Cable and Satellite Television Systems**

The Airport backbone system is capable of providing limited cable television upon request. Contact the assigned Airport representative regarding service. No satellite dishes may be installed on the premises.

#### **R. Fire Detection and Alarm System**

The BB will provide a fire alarm and detection system for the Facility. The main fire alarm control panel will be located in the QTA Support Building. Fire detection and alarm of the Facility will be provided as part of the BB construction.

Each Tenant lease area will be provided with fire alarm/detection circuit connection points. Fire alarm terminal box (FTC) will be located within each Tenant electrical room. Each FTC will contain connection terminal points for a fire detection signal and a fire alarm notification circuit from the Tenant EUA lease space. Each Tenant is responsible for providing and installing fire detection and alarm devices compatible with the BB alarm systems within its EUA. The associated conduit and wiring to connect these devices to the fire alarm panel connection points (FTC) will be provided by the BB. The fire alarm system design and testing and commissioning of the fire alarm detection and alarm circuits and devices within the Tenant EUA lease areas will be the Tenant's responsibility. All design and installation will be reviewed and approved by the City Fire Marshal and performed in accordance with City standards, applicable codes and ordinances and Fire Marshal requirements.

#### **S. Voice Evacuation System**

A Master Emergency Voice Evacuation system is required in the CSB. The BB construction will provide voice evacuation in the CSB common areas and unfinished lease spaces as part of the BB construction fire alarm and detection system. Each Tenant is responsible for providing and installing Simplex compatible voice evacuation speakers and devices within it EUA. The associated conduit and wiring to connect these devices to the fire alarm panel connection points is provided by the BB. Design, testing and commissioning of voice evacuation system shall be the Tenant's responsibility. All design and installation shall be reviewed and approved by the City Fire Marshal and performed in accordance with City Fire Marshal and performed in accordance with City standards, applicable codes and ordinances and Fire Marshal requirements.

#### **T. Self Service Car Rental Kiosks**

It is anticipated that each Tenant may have self-service electronic car rental kiosks comparable to airline E-ticket kiosks. If provided, self-service kiosks and their associated queuing must be located within each Tenant's EUA. Each Tenant shall be responsible for installing the conduit and wiring for these kiosks. The BB

will provide power and data stubs to the predetermined locations for these kiosks. Power requirements shall be part of the Tenant permitted power allowance for the CSB lease space. The design and final location of the kiosks shall be reviewed and approved by the Airport prior to installation.

## **2.3 Rental Car Garage**

### **2.3.1 Introduction**

The BB construction for the Rental Car Garage includes the vertical cores; ready/return floor plates, way finding signage, lighting, pavement markings for the common roadways and ramps and roughed-in utilities.

The performance standards outlined below apply to all Tenant Improvements within the Rental Car Garage, including the exterior building envelope, roadways within and ramps up to the Garage, power, lighting and special systems. Reference attached Exhibits F through J – Floor Plans.

### **2.3.2 Tenant Garage Enhancements**

Tenant Improvements may include additional signage elements associated with preferred customer service product delivery (kiosks, signs, pavement marking, etc.) and other items dedicated to customer convenience and satisfaction. Other basic requirements within the ready and return areas of Tenant's Exclusive Parking Garage Leased Area covered by this category include:

- Vehicular control system, "tiger teeth" devices and gate arms;
- Company-unique parking space designation signs, pavement marking, electrical, etc.;
- Other miscellaneous temporary and permanent traffic circulation signage.

Tenant shall be allowed to control the entrance and exit from their lease premises with a card access, keypad-type or other security gate system, gate arms, relocatable barriers and/or "tiger teeth", plate barriers or other physical barriers as a Tenant Improvement. Power supplied for signage, security and other systems in the Garage is limited, and may be subject to allocation by the Airport.

### **2.3.3 Tenant Customer Service Kiosks**

Tenant may install customer service kiosks (includes booths and/or buildings) in the Garage as a Tenant Improvement within Tenant's lease space. Kiosk function, size, design, materials, color, location and installed trade fixture and equipment are subject to the prior written approval of the Airport. The kiosks must be purpose built for the proposed location and function, and should be of the highest quality construction and materials. Creativity of kiosk design is encouraged.

Tenant and Tenant's design and construction team shall refer to the design documents, drawings and specifications for permissible floor loading in each area of the CSC, Garage (reference Exhibit L – Reinforced Structural Zones) and QTA. Tenant shall meet any special requirements for floor loading above certain limits for areas of heavy floor loading, such as areas of dense filing, heavy equipment, libraries, etc., as such requirements are determined by the Airport following its review of Tenant's Tenant Improvement submittals and written approval thereof. Kiosks shall be fully self-contained and fire rated. Such kiosk or structures may only be located entirely within Tenant's leased premises.

### **2.3.4 Exit Booths or Kiosks**

Proprietary signage, data and communications, trade fixtures and equipment shall be the responsibility of Tenant and shall be deemed a Tenant Improvement subject to review and approval by the Airport. Any additional vehicle security requirements, systems, kiosks and the like, may only be installed within Tenant's lease premises, or as otherwise allowed by the Airport, and shall be a Tenant Improvement.

### 2.3.5 Tenant Signs

The Airport will provide all necessary public way finding and code required signs within the Garage common areas as part of the BB work.

Tenant specific identification signage, to be furnished and installed by the Tenant, is permitted on the interior of the Garage within the Tenant's exclusive use space. Signs shall be free-standing, surface mounted to the structural columns with compression fittings, or hung from the surfaces of beams and other members. Tenant shall submit for written approval of their proposed signage concepts including the location, size, type, language, and method for affixing the signs to the structure. Drilling may be permitted in slabs and beams provided that the slabs/beams are x-rayed or Ferro-scanned to ensure that slab/bear reinforcement is not cut. Before commencement of installation of any sign support structure, Tenant's Contractor shall have the layout inspected and approved by the Airport's Project Team prior to drilling.

No sign or other appurtenances located in or above drive lanes shall be lower than a height of **eight feet, four inches (8'-4")** above the Garage finished floor.

Professionally created signs on movable or mobile pedestals are permitted. However, signs with movable parts, moving or flashing lights, or sound emitting properties are prohibited. The Airport reserves the right to require the removal of any Tenant advertising, displays or decorating that in its sole opinion is distasteful, offensive, or in conflict with the best interests of the common Project environment. All electrical signage shall be treated as lighting load. All such signage shall be connected as required to individual **Tenant 120V panel boards**, designated as lighting only, at each Garage Level Electrical Room in Core areas.

All customer service, improvements, signage, branding, furnishings, equipment or other activities or improvements shall be contained within the limits of the Tenant's leased area, or as otherwise allowed by the Airport.

Signs shall meet the requirements established in Section 2.2.2 C – Sign Criteria in this document.

### 2.3.6 Tenant Finishes

All elements of the Tenant's leasehold improvements, which are to be suspended from the structure above Tenant's Leased Area, shall be detailed, including the method(s) of attachment. Load calculations shall be prepared and sealed by a structural engineer licensed in the State of Texas and sealed as a part of the Tenant's submittal for approval. Any conduit installed by Tenant shall be painted to match the structure.

### 2.3.7 Floor/Wall Penetrations

Penetrations shall be kept to a minimum. Floor penetrations shall be located by the Tenant to eliminate the possibility of compromising the structural integrity of the floor. Prior to cutting and drilling Tenant Improvement Plans, as defined in Section 3.2, shall be submitted to the Airport for written approval.

The Airport, through its designee, shall coordinate mechanical, electrical, and plumbing work with existing structural members. All floor/roof or wall openings shall be properly fire-safed and have applicable protective coatings.

### **2.3.8 Pavement Markings**

Tenant is responsible for furnishing a Pavement Marking Plan to the Airport as part of the Tenant Improvement Plan submission for the Tenant's lease space, as outlined in Section 3.2 of this document. Pavement markings in common areas and as required by code or other authorities having jurisdiction will be provided by the BB.

### **2.3.9 Perimeter Barriers**

Each Tenant's Leased Area may be delineated by the use of low height, semi-permanent barriers installed by Tenant except for the barriers along the customer drive aisles on levels 3, 5 and 6 and the barriers between the gate arms on level 7 which will all be installed as part of the BB construction. The Airport will select the type of barrier and its associated structural load that the Tenant will be required to use, with configuration and layouts as reviewed and approved by the Airport through submission of a barrier plan as a Tenant Improvement. The perimeter boundary of the parking areas, between lease space and the common roadways, may be secured as outlined above.

The cost of any such perimeter barrier system will be a Tenant Improvement and must be consistent with the standard design established by the Airport.

### **2.3.10 Electrical Systems**

#### **A. Distribution**

Tenant shall be responsible for installing all electrical conduit, wiring, fixtures, etc., to serve the supplementary lighting and power needs in the Garage (i.e. kiosks, gates, illuminated signage, security systems, etc.), in excess of the electrical systems provided by the Airport. Rigid conduit shall be used in the Garage to a height of 5' from the finished floor. A secure space shall be provided to house each Tenant's power requirements adjacent to the main electric rooms on each floor.

#### **B. Lighting**

Lighting throughout the Garage will be provided as a part of the BB construction. Additional lighting may be installed by the Tenant upon written approval of the Airport. Lighting by the Tenant shall match or complement building standards.

### **2.3.11 Communication Systems**

A secure space shall be provided for each Tenant adjacent to the main data rooms on each floor. Empty conduits or a cable tray terminating at a point just inside the data room for telecommunications use will be provided. Each Tenant shall be responsible for providing the conduit infrastructure from the "demarcation room" to their Garage Leased Area and within their Garage Leased Area.

Prior to installing any conduit, raceway, pull box, or communications cables, Tenant shall submit Tenant Improvement Plans that are in accordance with the standards of, and shall obtain written approval from the Airport. All cables, inner-ducts, pull ropes, splice enclosures, cross-connects, termination equipment and

associated accessories that are installed shall become the property of the access provider. Tenant shall coordinate with the Airport when developing the Tenant Improvement Plans and adhere to any location-specific installation directions provided.

### **2.3.12 Mechanical System**

Mechanical systems for Tenant provide customer service kiosks, exit booths or other Tenant Improvement shall conform to the appropriate provisions of the Building Code. Any modifications to the Project systems shall be subject to Airport review and approval. Condensate will be tied into BB drainage system as indicated in the BB drawings.

### **2.3.13 Security**

Tenants are responsible for providing their own security systems to the extent that the tenants want additional security systems beyond what is provided in the BB. The Airport may require that Tenant security systems connect to the Airport security and fire detection systems.

### **2.3.14 Customer Service Booth Fire Protection**

The BB includes an automatic fire sprinkler protection system in the vertical core areas located on the operational floor plates, including the public Rest Rooms and elevators. Customer Service Kiosks shall require the addition of branch valves, inspector test/drains and sprinkler mains extended from the capped services in the vertical cores. See the fire sprinkler routing drawings and the BB MF Series sheets for fire sprinkler system logic. The Tenant shall contract with the BB fire sprinkler subcontractor registered fire protection engineer to perform hydraulic calculations to assure that tenant sprinkler extensions meet the code mandated flow rate and delivery time requirements.

Each Tenant shall be responsible for extending the automatic dry fire protection (sprinkler) system to and within its customer service, exit and other booths. Each Tenant shall design its fire protection systems whereby the main fire alarm panel will be able to distinguish the difference between the flow signals for customer service booths by floor, from the signals coming from other facility branch flow switch detectors. Each Tenant shall be responsible for acquiring the required permits for all modifications to the BB fire protection system.

Each Tenant shall modify the system as necessary to suit its kiosks or other alterations.

## **2.4 Quick Turn Around Areas (QTA)**

### **2.4.1 Introduction**

Tenants shall lease exclusive use space in the QTA area to conduct and support their rental car activities. The size of each site and the design of the facilities may vary among Tenants. Tenant may construct or install additional improvements, systems or equipment at their own cost and expense. Such improvements or additions shall be deemed a Tenant Improvement and subject to Airport review and approval.

The BB will provide the following major components:

- Fuel systems, with overhead reels supplying compressed air, windshield washer fluid and a vehicle vacuum system

- Wash bays, with associated equipment (excluding blowers)
- Maintenance bays, with lifts and overhead reels for air and oil
- Conduit and low voltage disconnect devices are provided at the fuel island for tenant installed productivity systems

Tenant installed equipment may include items such as:

- Pressure washer
- Wash blowers
- Tire changer
- Tire balancer
- Compressed air hookups

#### **2.4.2 Toilet and Locker Rooms**

Tenant may install surface mounted employee lockers, as indicated, in the approved space plan.

#### **2.4.3 Break Rooms**

All Tenant installed millwork shall comply with American Woodworking Institute (AWI, Custom Grade Specification). Tenant shall include any Tenant installed millwork in its Tenant Improvement Plans for the Airport's prior written approval. Refer to Section 2.2.3 F of this document.

#### **2.4.4 Fuel Islands**

BB provides a fuel dispenser, overhead reels supplying compressed air, windshield wiper fluid and a vehicle vacuum system at each fuel island position. A revenue control/card reader system is provided at each fuel dispenser to track fuel dispensing transactions.

Fuel distribution/security monitoring systems are not provided, but may be installed as a Tenant Improvement. Tenant shall include any Tenant installed systems in its Tenant Improvement Plans for the Airport's prior written approval.

#### **2.4.5 Hardware**

All exposed hardware except tracks, frames or rollers, shall match the BB finish and shall be commercial grade.

#### **2.4.6 Materials**

In the interest of maintaining continuity of appearance throughout the Project, and maintaining a high quality of building construction, the Airport reserves the right to stipulate specific materials, colors, and construction and installation methods.

Materials shall be selected from those permitted by the Building Code and any other applicable codes and regulations, shall be high quality and durable, and shall enhance the overall aesthetic appearance of the Project. Durable materials that resist blows and scrapes shall be used in areas subject to vehicular and pedestrian wear, and appropriate materials, coatings, sealants, and details shall be used to mitigate soiling, corrosion and damage to buildings.

#### **2.4.7 Traffic Control and Parking**

Bollards may be installed at Tenant's discretion to protect other areas of the Leased Area or other improvements. Installation of bollards will be extremely limited due to the Project structural system and is deemed a Tenant Improvement and is subject to the review and prior written approval of the Airport as to the location, number, type, size and method of installation.

#### **2.4.8 Tenant Back Office**

Refer to Section 2.2.3 A – S of this document.

#### **2.4.9 Fire Department Requirements**

The City of San Antonio Fire Department has rules and regulations regarding the specific operation of this QTA and associated building systems. Tenant shall comply with all such rules, regulations and requirements relative to their modifications to the Project, lease areas and their operations. Tenant and Tenant design teams shall review and be familiar with the Fire Department requirements that were the basis of approval, as there are requirements of the City that exceed the building code. For example:

- The QTA building has an expanded electrical hazard area
- There are no through floor penetrations whatsoever (with the exception of floor drains) allowed in the fuel dispensing area

### **2.5 Support Facilities**

#### **2.5.1 Introduction**

Additional spaces will be provided as part of the BB that support the operations of the Facility as outlined below.

- **QTA Support Building**

The QTA Support Building includes spaces that support the operations of the facility. This location will house the 3<sup>rd</sup> party operator of the facility.

- **Service Yard & Loading Dock**
- **QTA Fuel Storage Facility & Distribution System**
- **Parking Manager's Office**

- Building Manager's Office
- Retail Space

## SECTION THREE

### 3.0 Guidelines and Standards

#### 3.1 General Requirements

##### 3.1.1 Design Guidelines and Criteria for Tenant Improvements

These standards and attached supporting exhibits shall constitute the Design Guidelines and Criteria for Tenant Improvements. The design and construction of Tenant Improvements shall be completed in strict accordance with the following standards, or the provisions contained within the following referenced documents, as currently in force or as they may be amended from time to time:

- The Project Design Drawings;
- The Project Specifications;
- Consolidated Rental Car Facility Lease and License/Concession Agreement, Section XX;
- Schedule of Improvements, Exhibit A;
- Federal and State of Texas Codes, Rules and Regulations;
- Codes, Rules and Regulations of the San Antonio International Airport;
- Bexar County Prevailing Wage Provisions or other wage requirements;
- Project Labor Agreement(s);
- This Program Criteria Document.

These standards shall be followed and maintained, unless specific deviations have been requested in writing by Tenant and approved in writing by the Airport.

##### 3.1.2 Applicable Codes and Regulations/Building Permits

The following is a listing of applicable codes and regulations to which Tenant shall adhere. This list may not be all-inclusive. At the time of new construction or renovation, Tenant and its contractors and consultants shall review this list with local governing authorities for any code changes or local code interpretations:

- 2012 International Building Code
- 2012 International Existing Building Code
- 2012 International Mechanical Code
- 2012 International Plumbing Code
- 2012 International Fuel Gas Code
- 2012 International Fire Code
- 2009 International Energy Conservation Code
- 2011 National Electric Code
- NFPA National Electric Code
- NFPA Uniform Fire Code

Tenant shall be responsible for obtaining their respective Tenant Improvements Building Permit(s).

##### 3.1.3 M/WBE Participation

Refer to Section XX of the Lease.

### 3.1.4 Procurement of Vendors

Tenant shall be allowed to select the architects, engineers, contractors, suppliers and vendors of their choice to supply or install their Tenant Improvements. However, such Tenant Contractors and suppliers shall possess all required licenses and permits, shall be subject to prior approval by the Airport upon submitting applications and providing proof of insurance and licensing, and shall comply with all rules and regulations of the City of San Antonio, including the Project Labor Agreement, as such may apply. The Tenant will be required to provide a security deposit on or before the Tenant Access Date, per Section XX of the Lease.

### 3.1.5 Tenant Improvement Plans

All Tenant Improvement Plans (see Section XX of the Lease, AKA Tenant construction documents) shall follow the framework, format and numbering system of the BBDT drawings and specifications prepared for the Project. The BBDT Project construction drawings and specifications are available to the individual Tenants and may be obtained through the Design Team.

Tenant Improvement Plans shall include design drawing, specifications, product specifications and/or cut sheets, shop drawings, descriptions of materials and finishes, and color boards. When applicable, Tenant Improvement Plans shall include structural load calculations, electrical load calculations, shop drawings, methods or attachments, or other information and specifications providing sufficient detail so the Airport can accurately determine the proposed improvement's fitness for purpose and compatibility with the Project.

### 3.1.6 Insurance

Tenant, Tenant's designers, contractors, vendors and suppliers shall meet the insurance requirements as set forth by the Airport and the controlling Project Documents including the Lease.

### 3.1.7 Licensing

All work and design submissions shall bear the seal of a licensed and insured Architect and/or Engineer qualified to perform such work. All Architects and Engineers issuing the drawings and specifications shall be licensed and registered in the State of Texas. All submissions shall use best industry practices and conform to this Program Criteria Document.

### 3.1.8 Milestone Dates/Corrective Action

Specific milestone dates for completion of various design phases, submittal dates and construction activities will be issued in writing, by the Airport to each Tenant. It shall be the Tenant's sole responsibility to take the actions required to adhere to the published dates. Refer to Section XX of the Lease.

It is agreed by all that it is essential that the Facility open with the construction of all Airport and Tenant Improvements complete, and that all facilities are operational. Therefore, Tenant shall meet certain critical milestone dates for completion of the design and construction of their Tenant Improvements. Should Tenant fail to comply with any required milestone date as it pertains to any Tenant submittal or other action, the Airport shall enforce the following:

- If design progress submittals are seven (7) calendars days late, a written letter shall be required from Tenant offering an explanation to the problem and required solution.

- If design progress submittals are fourteen (14) calendar days late a written recovery plan shall be required of Tenant and their Design Team stating how they shall get their design back on schedule.
- If Tenant is thirty (30) calendar days late in achieving any milestone date, the Airport may appoint the Project Design Team to take over the coordination of the design and construction of Tenant's Tenant Improvements. If the Tenant Design Team is deemed to be the problem as determined by the Airport, it will be at Airport's sole discretion to determine if the Tenant Design Team should be removed and replaced with a more qualified and/or responsive team. Any costs incurred in making this necessary transition shall be charged against that Tenant.

### 3.1.9 Interpretation/Clarifications

This document must be read and applied in its entirety. This manual shall also complement other Project documents, legal documents and agreements between the Tenant and the Airport. Inconsistencies or ambiguities between this document and any other Project document shall be resolved by the Airport.

## 3.2 Design Review and Approval Process

The process will be initiated by a pre-design meeting with the Tenant, Tenant's design representative and Airport representative.

The following information will be made a part of the requirements as specified in the Tenant Design and Construction Guidelines:

Submittals made to the Airport for review will be done at the 30%, 60% and final submittal stages of the Tenant Improvement Plans.

### 3.2.1 30% Conceptual Review Submittal

The purpose of this preliminary submission is to provide the Airport's Tenant design review team with an opportunity to comment on the design concept at an early stage so that the team's requirements can be incorporated into the Tenant's final Tenant Improvement Plans. The preliminary design will consist of **Seven (7) prints** of each of the following:

- A key plan showing the location of the lease space including a construction access plan.
- Preliminary floor plans, reflected ceiling plans, and demolition plan (if required) indicating interior design concept (minimum 1/4" = 1'-0").
- Typical interior elevations of all areas visible to the public (minimum 1/4" = 1'-0").
- Exterior elevations and building sections of any kiosk, including any graphics and signage and indicating all materials and finishes (minimum 1/2" = 1'-0"). Exterior color rendering or photograph of typical tenant kiosk, including any proposed signage.
- Preliminary sign details and graphics, (minimum 1 1/2" = 1'-0").
- A preliminary finish schedule.
- Material sample board keyed to drawings.
- Confirmation from the Tenant's Consultant that the floor loading will comply with building standards.
- Utility connection drawings, including riser diagrams and load summary schedules.
- Preliminary single-line schematic drawings of mechanical/electrical/plumbing (MEP) connections and locations.
- A preliminary project schedule.
- Architects' statement of site visitation.

- Pedestrian and vehicular circulation flows within the leased space.

The Airport will review the preliminary submissions and when the initial review is completed, the Airport's Tenant Project Coordinator (TPC) will issue a written response of acknowledgement noting discrepancies and required changes before work may proceed on the Tenant Improvement Plans. The Airport will use its best efforts to finalize its review within ten (10) working days from the receipt of drawings and will advise the Tenant in writing on issues of noncompliance, discrepancies and required changes.

Drawings will be returned to the Tenant marked as follows:

- Preliminary Acceptance - Tenant may proceed to develop 100% Tenant Improvement Plans.
- Preliminary Acceptance as Modified - Tenant may proceed to develop 60% construction drawings but must incorporate indicated changes/comments/revisions
- Not Accepted Resubmit - Tenant to review the Airport's comments and resubmit modified design

### 3.2.2 60% Submittal

This plan submittal should incorporate all of the changes/comments/revisions that were required at the 30% submittal stage.

Drawings will be returned to the Tenant marked as follows:

- Preliminary Acceptance - Tenant may proceed to develop Tenant Improvement Plans.
- Preliminary Acceptance as Modified - Tenant may proceed to construction drawings but must incorporate indicated changes/comments/revisions into final documents
- Not Accepted Resubmit - Tenant to review the Airport's comments and resubmit modified design

### 3.2.3 Final Documents

Upon receipt by the Tenant of the Airport's Preliminary Approval, or delivery of notice of rejection specifying the items requiring correction or alteration, the Tenant will submit within ten (10) working days complete drawings and specifications, amended as requested.

The Tenant shall submit to the Airport eight (8) sets of prints on bond paper, 20 or 24 lb. and one (1) CD containing electronic files in AutoCAD 2012, Microstation v8i, Revit and/or in a format otherwise agreed to by the Airport of each of the completed Architectural and Engineering drawings and specifications for the finishing of the leased premises. These submissions shall conform to the provisions of the following architectural and engineering requirements:

#### A. Architectural and Engineering Drawings and Specification Requirements

- Drawings are to be of a standard sheet size 30" x 42" or as otherwise agreed to by the Airport.
- A key plan showing the location of the Lease space including structural grid indicators, and include a construction access plan.
- Floor plans (minimum ¼" = 1'-0") indicating construction materials, colors, and finishes; location of partitions and type of construction; and locations of any tenant-provided plumbing, indicating dimensioned placement of plumbing fixtures.
- Reflected ceiling plans (minimum ¼" = 1'-0") indicating ceiling materials and conditions; ceiling heights; location of all light fixtures, manufacturer's name and catalog number, lamps to be used, and mounting

- (recessed, surface, etc.); location of sprinkler heads; location of HVAC grilles, exit signs, emergency exit lighting, etc.
- Kiosk elevation and section (minimum  $\frac{1}{2}$ " = 1'-0").
  - A dimensional location plan of all roof openings, required for any Tenant roof mounted equipment.
  - Typical interior elevations of all areas visible to the public (minimum  $\frac{1}{4}$ " = 1'-0").
  - Interior finishes schedule, and illustration boards (exactly 11" x 17") with clearly labeled and firmly attached samples and color chips.
  - Detailed signage drawings and connection details (minimum  $1\frac{1}{2}$ " = 1'- 0") providing elevation and section views, indicating letter style and size, all colors and materials, methods of illumination, color of illuminate, and voltage requirements. Food tenants must include menu board details as well as any proposed method of temporary signage (sales, daily or weekly specials) including location, size, materials, color, letter type, and framing method.
  - Mechanical drawings, including electrical, HVAC, plumbing and sprinkler, and load summaries. Drawings must indicate placement of all MEP equipment, connected electrical loads, and weights of heavy equipment, cases, etc.
  - Drawings must indicate utility connections for water, sewer, grease interceptor, electrical, telephone, and lighting; building mechanical, plumbing, electrical, lighting, fire protection, fire alarm plans to scale; detailed riser diagrams; and load schedules.
  - Project construction schedule in both **hard copy and electronic copy (in Microsoft Project format)**
  - Temporary construction barrier partition plan (minimum  $\frac{1}{4}$ " = 1'-0"), and partition elevation (minimum  $\frac{1}{4}$ " = 1'-0"). The tenant must provide details of architectural temporary barricades, including dust and sound control measures.
  - Furnishing plan, specifications, materials and color selections, including samples.
  - Specifications, if not on drawings, must be submitted by **hard copy on 8 ½" by 11" bound with protective transparent covers, eight (8) sets required and in PDF file format** or as otherwise agree by the Airport.
  - Any other special facilities or installations in respect of the tenant's work or which affect the Airport's facilities such as vaults and special equipment. Drawings must indicate weight of heavy equipment (i.e. safes), outlet mounting height, equipment locations, etc.

### B. Standard Drawings Notes

The following notes must be on all drawings submitted for approval:

- One set of Tenant approved drawings to be kept on site by the Tenant and available for checking at all times during construction.
- All materials to meet flame spread rating requirements of authorities having jurisdiction.
- Demising walls are not designed to be load-bearing. All fixtures must be floor supported.
- All work must be scheduled and approved by the Airport so that it does not interfere with airport operations.
- Tenant Contractor must obtain electrical and plumbing permits, pay for same and submit copy to the Airport prior to commencing the work. The Airport requires a Building Permit be obtained by the Tenant prior to any site work commencing.
- No cutting, coring or attachment of inserts to the existing concrete elements, or application of adhesives paints or sealants, will be allowed without prior approval of the Airport. Adequate notice shall be undertaken prior to the intended installation.

### C. Additional Documentation Required:

- Documents sufficient to demonstrate compliance with the applicable Building Codes, Criteria Manuals, and this Document. All documents to reference the lease space reference number.

- Copy of the executed contract between the tenant and the general contractor. Refer to Section XX of the Lease.
- Copy of the contractor's insurance policy (certificate of insurance). Refer to Section XX of the Lease.
- Copy of the contractor's payment and performance bonds, in accordance with current Airport permit requirements and procedures. Refer to Section XX of the Lease.
- Submittal of Funding Affidavit, with cover letter, for Airport approval. Refer to Section XX of the Lease.
- Copy of Lease exhibit with any applicable variances that may have been negotiated.
- Copies of project construction schedule, construction phasing and operation plan, and contractor/subcontractor directory.

The Tenant shall post one complete set of construction drawings and sample board at Tenant's space during construction. Prior to commencing, and during construction, the Tenant must follow the Terms and Conditions of the Building Permit as well as the procedures outlined in this Document.

#### **D. Completion of Construction**

The Tenant will submit one Maintenance Manual at completion of project on application for Certificate of Tenant Improvement Substantial Completion. Manual shall consist of approved stamped and signed shop drawings, extended warranties, project name and cover, etc. in a hard cover, black, vinyl, three ring, loose leaf binder. Separate data in individual sections with tabs.

The tenant shall submit one set of project record drawings ("As Builts") in the form of hard copy and electronic files of each completed leased premises, per Section 3.2.3 above.

### **3.3 Construction Guidelines for Tenant Improvements**

This section of the Document applies to the development of proprietary leasehold within the San Antonio International Airport Rental Car and Public Parking Garage (Facility). More specifically, it shall apply to the following components: Leased Garage area, Leased Customer Service Building areas and QTA areas. The following guidelines and criteria are intended to provide the Rental Car Operators (Tenants), and contractors with information required for the construction of their proprietary leasehold improvements.

#### **3.3.1 Tenant Contractor**

The Airport requires that all Tenants use licensed general contractors and subcontractors for Tenant Improvements within their portion of the Facility. Tenant may select their own contractors, suppliers, and vendors to construct, fabricate and install Tenant Improvements, trade fixtures or equipment within the Facility.

As a group, Tenants are encouraged to select the fewest number of contractors that can be engaged to construct Tenant Improvements for multiple Tenants. Tenants are strongly encouraged to use one contractor per family of rental car brands with common ownership, as it will reduce the number of different entities that require coordination during construction, bring greater consistency and quality to the delivery of Tenant Improvements, and ease the coordination of the overall construction process.

Regardless of the project delivery and contracting approach used by Tenant and contractor, Tenant's Contractor is responsible to coordinate the work of all Tenant subcontractors and deliver the Tenant Improvements in accordance with the approved parameters of scope, quality, cost and time. Tenant Contractor costs and fees shall be paid by Tenant.

#### **3.3.2 Licensing**

All work shall be performed by contractors licensed in the State of Texas for that applicable scope of work.

### 3.3.3 Liquidated Damages/Corrective Action

It is agreed by all that it is essential that the Facility open with the construction of all EUA's complete and all facilities operational. Refer to Section XX of the Lease. Therefore, each Tenant shall meet certain critical milestone dates for completion of design and construction. Shall any Tenant fail to comply with the required milestone dates, and such delays are not deemed to be caused by the Airport, BBDT or BBCM, the Airport will enforce the following:

- If construction progress falls fourteen (14) calendar days behind the approved schedule, a written letter shall be required from the Tenant and their CM offering an explanation to the problem and required solution.
- If construction progress falls twenty-one (21) calendar days behind the approved schedule, a written recovery plan shall be required from the Tenant and their Contractor stating how they shall get the construction back on schedule. The Recovery Plan shall address, in writing, each line item on the Construction Schedule that must be modified. In addition, the plan shall describe how the item is affected and the resources required to adjust the item (subcontractors and/or suppliers), as well as list any impact the adjustment has to milestone and finish dates.
- If construction progress falls thirty (30) calendar days or more behind the approved schedule, with three (3) calendar days' notice, the Airport may appoint the BBCM to take over the coordination of that Tenant's Construction program and see that the EUA's are completed in accordance with the approved Tenant Improvement Plans and the approved schedule. If the Contractor and/or any subcontractors are deemed to be the problem, it shall be at the Airport's sole discretion to determine if the delinquent parties shall be removed and replaced with a more qualified and/or responsive construction team.

## 3.4 Summary of the Work

### 3.4.1 General

The work includes the construction of Tenant Improvements associated with the San Antonio International Airport Rental Car and Public Parking Structure:

### 3.4.2 Coordination of the Work with Other Contractors

On behalf of the Airport, the BBCM is solely responsible for the supervision and detailed coordination of the improvements, finishes, fixtures, and equipment included within the scope and definition of the Project. The BBDT is responsible to ensure that improvements, finishes, fixtures, and equipment included within the scope and definition of the Project, or any substitutions proposed of those, meet the standards and requirements of the Airport. In addition, the BBCM is responsible for the correct and timely construction, assembly, and connection of various portions and parts of the Project, avoiding interferences or conflicts in any of the work and producing the best solution for the various installations with respect to layouts, clearances, functions, maintenance and repair access, cleaning and housekeeping, requirements of Contract Documents, and conformance to laws, ordinances, rules, regulations, and lawful orders of all public authorities having jurisdiction and bearing on performance of the work. Refer to Article XX of the Lease.

#### A. Interference

All Tenant Contractors shall furnish to the BBCM information and drawings showing accurate dimensions, openings, and all other pertinent conditions necessary for proper coordination. If any part of the work is installed which interferes with any other work, the interference shall be eliminated and corrected as approved, at the responsible Tenant Contractor's expense.

#### **B. Coordination Meetings**

When piping, conduits, ducts, or other items are to run in the same general direction, elevation, or location, the Tenant Contractors involved shall request in writing, that the BBCM arrange a conference to determine the proper allocation of the space or position. Coordination meeting minutes shall be distributed to all interested parties.

#### **C. Restricted Spaces**

Where work is to be installed in restricted spaces, adequate clearance shall be maintained as required by governing codes and laws to allow for access, repairs, maintenance, and the removal of equipment and devices. The BBCM and involved Tenant Contractors shall coordinate to prevent installations from being blocked by any other installation. Should such blocking occur, the responsible Tenant Contractor shall correct it as approved at no extra cost to the Airport.

#### **D. Conflict Resolution**

All conflicts or disputes arising due to coordination issues between Tenant Contractors shall be brought before the BBCM in writing for resolution. The decision of the BB Contractor and the Airport is final and binding.

#### **E. Building Permits**

Each Tenant is responsible for acquiring all permits required for construction of their portion of the work in a timely manner, to meet their schedules and the overall project schedule developed by the Airport, the BBCM and the Project Design Team. Copies of all permits shall be submitted to the BBCM's site representative.

### **3.5 Insurance Requirements**

The Tenant Contractor must meet the insurance and indemnification requirements. Refer to Article XX of the Lease.

### **3.6 Construction Process for Tenant Improvements**

#### **3.6.1 Laws to be Observed**

The Tenant Contractor shall keep fully informed of all Federal and State laws, County and City ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the work. The Tenant Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; and shall protect and indemnify the Airport and its representatives against any claim or liability arising from or based on their violation of such. Refer to Article XX of the Lease.

#### **3.6.2 Maintenance of Traffic**

The Tenant Contractor's operations shall be in accordance with policies of the Airport and any other applicable public agency having jurisdiction over the Airport and the Facility. These operations shall cause no

unnecessary inconvenience to the public and public access rights shall be considered at all times. Unless otherwise authorized in the specifications or on a temporary basis by the BBCM, traffic shall be permitted to pass through the work area. The Tenant Contractor shall coordinate with the various agencies both commercial and public, involved in the collection and removal of trash and garbage, so that adequate services are maintained.

Safe and adequate pedestrian and vehicular access shall be provided and maintained at all times.

### **3.6.3 Cleanup and Dust Control**

Throughout all phases of construction, including suspension of the work, and until final acceptance of the Project and the Tenant Improvements, the Tenant Contractor shall keep the work area clean and free from rubbish, excess materials and debris generated by construction activities.

All solid and chemical wastes (hazardous waste residuals) shall be appropriately disposed off-site, as required by Federal and State laws, County and City ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the work. Liability for such wastes belongs to the Tenant or the Tenant Contractor if so specified between those parties.

The Tenant Contractor shall also be responsible for all required dust control measures in temporary storage yards and staging areas. The Tenant Contractor shall employ whatever steps, procedures or means necessary to prevent any dust nuisance due to their construction operations. The dust control measures shall be maintained at all times to the satisfaction of the BBCM and in accordance with the requirements of Bexar County or other agencies having jurisdiction. Airport approved dust palliatives shall also be used. Submit proposed measures to the Airport for review and approval.

### **3.6.4 Final Cleanup**

Before final acceptance, all private or public property and grounds occupied by the Tenant Contractor in connection with the work shall be cleaned of all rubbish, excess debris, materials, temporary structures and equipment, and all parts of the work area shall be left in an acceptable condition.

### **3.6.5 Failure of the Tenant Contractor to Maintain the Site**

If the Tenant Contractor fails to provide adequate Maintenance of Traffic or Cleanup and Dust Control or to correct deficiencies resulting from abnormal weather conditions, the Airport has the authority to suspend the work wholly or in part until deficiencies have been corrected

If the Tenant Contractor fails to comply with the Airport's written order to provide adequate maintenance of traffic, cleanup, dust control, or to correct deficiencies resulting from abnormal weather conditions, the Airport can have this work accomplished by other sources at the expense of the Tenant(s).

The Tenant Contractor agrees to cooperate fully with the other source accomplishing this work and agrees that this action shall not invalidate the Contract or release the surety.

## **3.7 Control of the Work**

### **3.7.1 Cooperation with Utilities**

The Airport will endeavor to have all required utility mains installed as specified in the design drawings, specifications, other construction documents, Schedule of Improvements and Lease. Refer to Section XX of the Lease.

### **3.7.2 Cooperation among Contractors**

The Airport reserves the right at any time to contract for and perform other or additional work on or near the work covered by the Tenant Contractors.

When separate contracts are let within the limits of the Facility, each Tenant Contractor shall conduct their work so as not to interfere with or hinder the progress or completion of the work being performed by other Tenant Contractors. All Tenant Contractors working on the Facility shall cooperate with each other as directed by the BBCM.

Each Tenant Contractor involved shall assume all liability, financial or otherwise, in connection with their contract and shall protect and save harmless the Airport, the Airport's Design Team and BBCM from any and all damages or claims that may arise because of inconvenience, delay, or loss experienced by them because of the presence and operations of other Tenant Contractors working within the limits of the same Facility area.

The Tenant Contractor shall arrange their work and shall place and dispose of the materials being used so as not to interfere with the operations of the other Tenant Contractors or that of the BBCM, within the limits of the same Project. The Tenant Contractor shall join their work with that of others in an acceptable manner and shall perform it in proper sequence to that of the others.

## **3.8 Legal Regulations and Responsibility to the Public**

### **3.8.1 Public Convenience and Safety**

The Tenant Contractor shall at all times conduct their work so as to assure the least possible obstruction to traffic and adjacent businesses or Airport users. The safety, convenience, and the protection of persons and property, of the general public and residents along the street, highway, and areas adjacent to the work area shall be provided for by the Tenant Contractor.

### **3.8.2 Work Hours**

The Tenant Contractor shall comply with the Airport and other City requirements concerning work hours and noise level during construction.

### **3.8.3 Barricades and Warning Signs**

The Tenant Contractor shall submit a vehicle and pedestrian control plan to the BBCM and the Airport for their review and approval, indicating how the Tenant Contractor will provide, erect, and maintain all necessary barricades, suitable and sufficient lights, danger signals, signs and other control devices, and shall take all necessary precautions for the protection of the work and safety of the public. Partially or fully closing roads may only occur following receipt of written approval from the Airport, and under the conditions of closure set forth in the approval.

### **3.8.4 Protection and Restoration of Property and Landscape**

The Tenant Contractor shall be responsible for the preservation of all public and private property and shall protect carefully from disturbance or damage all land monuments and property marks until the BBCM has witnessed or otherwise referenced their location and shall not move them until directed.

The Tenant Contractor shall be responsible for all damage or injury to property of any character, during the performance of the work, resulting from any act, omission, neglect, or misconduct in their manner or method of executing the work, or at any time due to defective work or materials, and said responsibility shall not be released until the project shall have been completed and accepted.

When or where any direct or indirect damage or injury is done to public or private property by or on account of any act, omission, neglect, or misconduct in the execution of the work, or in consequence of the non-execution thereof by the Tenant Contractor, the Tenant Contractor shall restore, at no cost to the Airport or the BBCM, such property to a condition equal to that existing before such damage or injury was done, by repairing, rebuilding, or otherwise restoring as may be directed, or they shall make good such damage or injury in an acceptable manner. Such damage shall include but not be limited to landscaped areas. The Tenant Contractor shall re-grade, replace or repair, or pay the costs of doing same, the disturbed area as directed and restore the surface material to match existing in type and quality.

When construction is within temporary construction easements, the Tenant Contractor shall restore all disturbed areas to a condition equal to or better than the existing improvements, or pay the cost of doing same. Such restoration shall include, but not be limited to, asphalt, walkways, fencing, lighting, sprinklers, landscaping, etc. In the case of landscaping, the Tenant Contractor or Airport designee may remove and store sod and plant material. If, in the determination of the Airport, the sod and/or plant material did not survive the transplanting in good condition, the Tenant Contractor shall replace the sod and/or plant material to match in type and quality. In addition, the Tenant Contractor may remove for eventual replacement any sprinkler system materials, lighting materials, etc. In the event that it is not feasible to reinstall the salvaged material, new material to match shall be installed.

The Tenant Contractor shall not dump spoils or waste material on private property without the prior written permission of the Airport or property owner. All such dumping shall be in strict conformance with the directions provided by the Airport.

### **3.8.5 Contractor Responsibility for Utility Property and Services**

At points where the Tenant Contractor's activities are adjacent to property or installations of utilities, damage to which might result in considerable expense, loss, or inconvenience, work shall not commence until all arrangements necessary for the protection thereof have been made.

The Tenant Contractor shall cooperate with the owners of any utility lines for their removal and/or rearrangement so that operations may progress in a reasonable manner, that duplication of work may be reduced to a minimum, and that services rendered by those parties shall not be unnecessarily interrupted.

If any utility service is interrupted as a result of accidental breakage, the Tenant Contractor shall promptly notify the proper authority and shall cooperate with the said authority in the restoration of service. No work shall be undertaken around fire hydrants, charged sprinkler lines or dry sprinkler standpipes until provisions for continued service have been approved by the City of San Antonio Fire Department.

The Tenant Contractor shall assume full responsibility for damages to any facility or utility as a result of failing to obtain information as to its location, failing to perform its duties in a careful, prudent manner, or failing to

take measures for protection of the facilities/utilities. The Tenant Contractor is liable to the owner of the facility/utility for the total cost of the repair. Refer to Section 4.10 of the Lease.

### **3.8.6 Personal Liability and Public Officials**

In carrying out any provisions of these specifications, or in exercising any power or authority granted to them by or within the scope of the contract, there shall be no personal liability upon the Airport personnel, Airport Engineer, or their authorized representatives, it being understood that in all such matters they act solely as agents and representatives of the Airport. Refer to Section XX in the Lease.

## **3.9 Obligations during Construction**

### **3.9.1 Work in this Section**

The BBCM shall hold Project meetings throughout the construction period to enable orderly review during the progress of the work and to provide for systematic discussion of construction and administrative issues.

### **3.9.2 Work not in this Section**

Tenant Contractor's relations with its subcontractors and materials suppliers, and discussions relative thereto, are the Tenant Contractor's responsibility and shall not be part of project meeting content or agenda. Further, discussions on any subject not related to the Scope of Work of this Project shall not be part of project meeting content or agenda.

### **3.9.3 Authority**

All persons designated by Tenant to attend and participate in the Project meetings shall have all required authority to commit the Tenant Contractor to decisions and solutions agreed upon in the Project meetings.

### **3.9.4 Meeting Schedule**

Progress meetings shall be held every week, or as needed, starting on the date and time agreed at the Pre-construction meeting.

Coordinate as necessary to establish a mutually acceptable schedule for the meetings.

### **3.9.5 Construction Schedule**

This Section covers the requirements and procedures for the Construction Progress Schedule to be maintained, and updated during the progress of the work by the Tenant Contractor.

#### **A. Submittals**

- Final Construction Progress Schedule: Submit immediately after, but no more than within ten (10) days from, receipt of Notice to Proceed a final version of the proposed Construction Schedule to the BBCM for review.
- Updated Schedules: Submit an updated Construction Progress Schedule bi-weekly or as directed by the Airport.

- Submittals: Submit three (3) copies to the BBCM.

#### **B. Progress Reviews**

The Tenant Contractor shall participate in joint review and evaluation of the schedule, on a monthly basis, or when requested by the BBCM.

#### **C. Limitation of Responsibility**

Neither the requirement to submit schedules for construction, authority of the BBCM to review the schedules, nor any decision made in good faith by the BBCM to exercise or not exercise such authority shall give rise to any responsibility or duty of the Airport, or to the BBCM, subcontractors, material and equipment suppliers, their agents or employees, or other persons performing any of the work.

#### **D. Job Safety**

The Tenant CM shall be responsible for its safety, the safety of its employees, its subcontractors, the public, and the worksite in general and shall comply with all applicable provisions of local, State and Federal law, regulations and orders affecting safety and health, including but not limited to the OSH Act, [San Antonio International Airport Design, Renovation & Construction Procedures](#) and the safety guidelines published by the BBCM. Refer to Section [XX](#) of the Lease.

Tenants and their contractors must pay particular attention to matters concerning safety while working near and around public areas of the airport. It is the Tenant's responsibility to ensure that their contractors employ safety-conscious practices and the standards set by authorities having jurisdiction. Tenants and their contractors shall comply with and will adhere to all instructions regarding public safety, which may be issued during the course of construction by the Airport.

#### **E. Quality Assurance and Control**

Tenant Contractor is responsible for establishing and implementing a Quality Assurance program that ensures timely and cost-effective completion of the work.

Responsibilities of the Tenant Contractor are:

- Coordinate work of all subcontractors and work of all separate contracts, if any, assigned to the Tenant Contractor;
- Cooperate with other contractors, if any, and the BBCM in performing work on the site;
- Cooperate and coordinate with the BBCM in accommodating any Airport furnished or Project materials, furnishings, and equipment, and its installation;
- Establish on-site lines of authority and communication;
- Prepare for and attend project meetings with BBCM;
- Furnish and maintain during the entire Contract Time a competent staff of experienced construction, administrative and supervisory personnel in sufficient numbers to meet the Contract completion date;
- Furnish a detailed time schedule of operations for the entire work (refer to Construction Progress Schedule Section); monitor the schedule as work progresses and revise the schedule at appropriate and specified intervals to reflect actual progress;
- Submit and obtain approval from the Airport and/or the BBCM of a Vehicle and Pedestrian Control Plan;
- Verify that applications for permits, inspections, temporary facilities, and permanent utilities are processed in a timely fashion;

- Unless otherwise shown or specified, locate, identify, protect, and maintain existing water, gas, sewer, irrigation, and drain lines; lighting, power, and telephone conduits and wires; and all other existing surface or sub-surface structures. Do not disturb, disconnect, or damage these improvements during the progress of work. Maintain all existing planting and trees, which are to remain. The Tenant Contractor shall satisfactorily repair or replace, at their expense, damage to existing improvements of all kinds, and to adjacent private and public property or rights-of-way, that results directly or indirectly from their operations;
- Resolve conflicts that may develop among subcontractors and vendors over access to, and utilization of, the restricted spaces available for construction activities, materials, and equipment.
- The Tenant's Contractor shall provide a quality construction product. To establish the level of quality, the Tenant, as a minimum, shall require its contractor to use the quality standards as apparent in the existing BB. This level of quality shall include without limitation, meeting or exceeding standards having to do with the grades, thickness, and strengths of construction and finish materials used. This level of quality also includes National or International Standards that must be met, any samples that must be submitted, any testing required assuring quality, any experience required of installers, all fabrication and installation tolerances and other related quality items. The Airport shall have the right to inspect all work, at any time and assure itself the minimum quality level required is being provided.

Time is of the essence for this project. The Tenant Contractor and subcontractors are responsible to thoroughly review the Drawings and Specifications and, in a timely manner, notify the BBCM on issues that require resolution so as not to impact the milestone and Substantial Completion dates for this project.

#### **F. Construction Facilities/Temporary Controls**

This Section covers general requirements for construction facilities and temporary controls for the work. Principal items include:

##### **a) General**

Drawings indicate the building site and related areas within the Facility building available for the work, keep areas orderly, free of hazards, and leave in clean condition acceptable to the Airport, BBCM and public authorities.

##### **b) Temporary Storage Facilities**

Tenant Contractors shall provide such temporary storage facilities as are necessary to protect materials and equipment delivered to the site from damage and shall maintain temporary storage areas in a clean and sightly condition. If on-site storage areas are inadequate, arrange and pay for necessary off-site facilities at Tenant cost.

##### **c) Temporary Field Office**

If needed, Tenant Contractor shall request and receive approval of the Airport prior to locating a Temporary Field Office within the Project area.

##### **d) Fire Protection**

Maintain good housekeeping practices to reduce risk of fire damage. Remove scrap materials, rubbish and trash daily from, in and about building and adjacent areas.

Provide storage in the Tenant Contractor's staging area for flammable materials and paints; storage in a building is prohibited. Keep excess flammable liquids being used inside the building in closed metal containers; remove from building daily.

Provide a fire extinguisher at each location where cutting or welding is being performed and in the jobsite trailer. Interpose shields of incombustible material to protect against fire damage from welding or cutting sparks and hot metal.

e) Final Clean Up

Fully clean all surfaces of the construction and site including fixtures, walls, soffits, floors, horizontal projections, walkways, rails, and all like surfaces, and adjoining public property.

### **G. Utilities and Utility Charges**

Tenant shall be responsible for the payment of any utility connections required for and during the construction of its Tenant Improvements. BBCM will bear the cost of the utility services required for and during the construction of the Tenant Improvements.

### **H. Notice of Tenant Improvement Substantial Completion**

When the Tenant's Contractor considers that the work is substantially complete, the Tenant's Contractor shall notify the Tenant and the Airport that the work is ready for inspection. See Section XX of the Lease.

### **I. Inspections**

The Airport will inspect and test the Tenant's construction work (hereafter called the Work.) Refer to Section XX of the Lease. The Airport may perform any tests to observe the Tenant's Contractor work to determine whether or not designs, materials used, manufacturing and construction processes and methods applied, and equipment, furnishings, fixtures, systems and finishes installed satisfy the requirements of the "Approved" or "Approved as Noted" construction contract documents, approved shop drawings, product data and sample submittals, and the Tenant Contractor's warranties. The Tenant's Contractor shall permit inspectors access and provide the means of access to the Work as well as whatever access and means of access is needed to off-site facilities used to store or manufacture materials, furnishings, fixtures and equipment to be incorporated into the Work, and shall respond to any other reasonable request to further the inspectors observations. Any tests required to be performed as a result of an inspector's observations shall not relieve the Tenant's Contractor of any of its obligations under its owner-contractor agreement.

Inspectors assigned to the Work by the Airport are authorized to reject any Work, any fixtures, systems, materials, equipment, furnishings or any component of the Work, which is not as required or as specified in the Approved Construction Contract Documents. Any such rejection will be communicated by the Airport in writing to the Tenant and the Tenant's Contractor.

After receipt of the Tenant Contractor's Notice of Tenant Improvement Substantial Completion of the Work, the Tenant's Design Consultant, the Tenant, a representative of the Airport and the Tenant's Contractor shall make an inspection of the Work to determine whether the Work has been completed in accordance with the Approved Construction Contract Documents and to review the Tenant Contractor's punch list. Normally, this inspection will occur within ten (10) calendar days.

If in the opinion of the Tenant's Design Consultant and the Airport the work has not been completed to the required stage, the parties shall cease the inspection. If, however the work has been completed to the required stage, a punch list shall be prepared by the Tenant's Contractor, which shall consist of those items listed by the Tenant's Contractor to be completed or corrected as supplemented by those items of work observed and noted by others during such inspections.

The Tenant's Contractor shall also ensure that all inspections are carried out by the designated Code Inspector and that all work subject to other required permits is also inspected by the appropriate required inspectors and coordinate with the Construction Manager.

#### **J. Certificate of Tenant Improvement Substantial Completion**

When the Airport determines that the Work or designated portion thereof is complete to its satisfaction, the Tenant will prepare a Certificate of Tenant Improvement Substantial Completion of the Work, which shall establish the date of substantial completion of the Work and initiate the Warranty Period. The Certificate shall state the responsibilities of the Tenant, the Airport and the Tenant's Contractor for security, maintenance, property insurance premiums, and damage to the Work. It shall also state on a punch list, items still to be completed by the Tenant's contractor and fix the time within which the Tenant's Contractor shall complete the items listed therein.

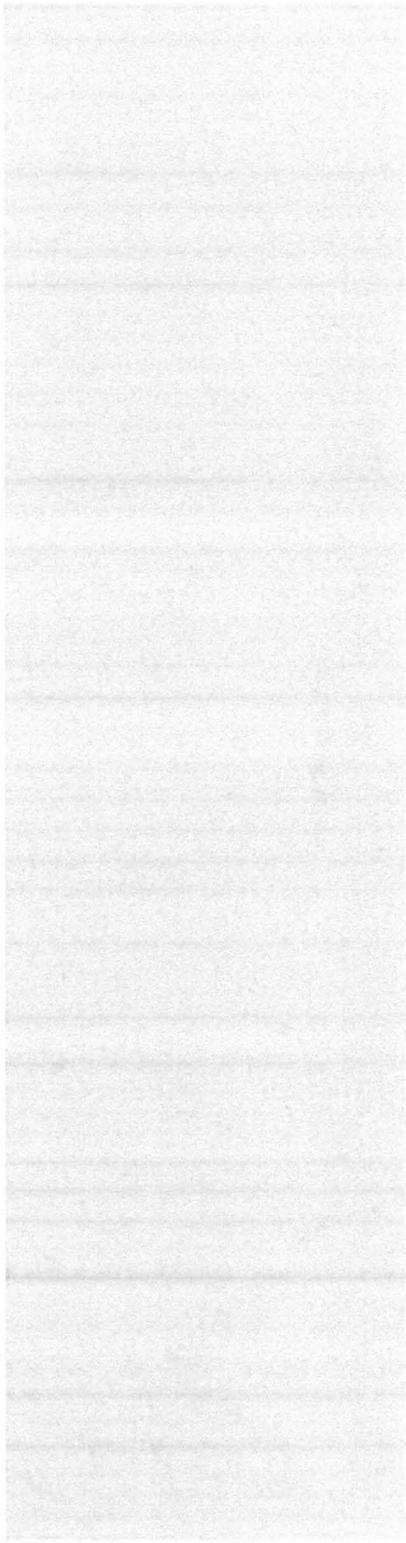
#### **K. Final Inspection and Acceptance of Work**

The Tenant's Contractor shall notify the Tenant's Design Consultant and the Airport in writing when all the punch list items have been completed and cleanup has been done. The Tenant, the Tenant's Design Consultant and the representative of the Airport shall then make the final inspection for the purpose of ascertaining that the Work has been fully completed in accordance with the requirements of the Approved

#### **L. Construction and Contract Documents (As-Built Drawings)**

The Tenant shall forward as-built drawings with electronic copies (PDF and CAD files on CD or by otherwise agreed file transfer protocol) to the Airport within thirty (30) days of acceptance.

**Exhibit C**  
**Project Site and Lease Site**





**Exhibit D  
Floor Plan Summary Sheet**

**Exhibit D-1 – Level 0 Plan**

**Exhibit D-2 – Level 1 Plan**

**Exhibit D-3 – Level 2 Plan**

**Exhibit D-4 – Mezzanine Level Plan**

**Exhibit D-5 – Level 3 Plan**

**Exhibit D-6 – Level 4 Plan**

**Exhibit D-7 – Roof Level Plan**

**EXHIBIT D**  
Space Breakdown  
Consolidated Rental Car Facility  
San Antonio International Airport

	Public Parking in Square Feet			CONRAC in Square Feet							Total Facility
	Public Parking		Total	CONRAC		CSB	CONRAC			Total	
	Exhibit D-1 Level 0	Exhibit D-2 Level 1	Parking Levels 0 & 1	Exhibit D-2 Level 1	Exhibit D-3 Level 2	Exhibit D-4 CSB	Exhibit D-5 Level 3	Exhibit D-6 Level 4	Exhibit D-7 Roof Level	Sq. Ft.	
Common Use Areas (CONRAC)	-	-	-	6,442	37,847	17,810	33,329	33,329	-	128,757	128,757
Common Use Areas (Sky Bridge)	-	-	-	-	-	2,158	-	-	-	2,158	2,158
Common Use Operational Areas (CONRAC)	-	-	-	77,014	55,967	4,829	55,967	56,717	48,997	299,491	299,491
Common Use Operational Areas (QTA)	-	-	-	-	34,171	-	34,171	33,421	-	101,763	101,763
Common Use (Vertical Circulation)	1,460	1,469	2,929	-	1,872	1,001	1,922	2,226	1,460	8,481	11,410
IDF Rooms (SAIA)	118	383	118	-	-	-	-	-	-	-	118
Public Parking	231,002	215,751	446,753	-	-	-	-	-	-	-	446,753
Exclusive Areas (CONRAC)	-	-	-	-	194,600	12,540	194,073	194,057	199,560	794,830	794,830
Reserved Area (CONRAC)	-	-	-	5,795	185	1,238	178	178	-	7,574	7,574
Reserved Area (SAIA)	5,193	18,124	23,317	-	-	-	-	-	-	-	23,317
<b>Total Square Feet</b>	<b>237,773</b>	<b>235,727</b>	<b>473,117</b>	<b>89,251</b>	<b>324,642</b>	<b>39,576</b>	<b>319,640</b>	<b>319,928</b>	<b>250,017</b>	<b>1,343,054</b>	<b>1,816,171</b>
Percentage of Total Square Footage		26.1%					73.9%				100.0%
						CSB					
CFC Eligible Routine Maintenance Areas						Exhibit C-4					
Public View Areas						28,307					
Common Use Areas (Sky Bridge)						2,158					
						30,465					















**Exhibit E**  
**Summary of RAC Space Allocation**

**Exhibit E-1 – Initial Allocation: Level 2 Plan**

**Exhibit E-2 – Initial Allocation: Level 3 Plan**

**Exhibit E-3 – Initial Allocation: Level 4 Plan**

**Exhibit E-4 – Initial Allocation: Roof Level Plan**

**Exhibit E-5 – Initial Allocation: CSC Lobby Plan Mezzanine Level**

**EXHIBIT E**

Operator Space Allocation Summary  
Consolidated Rental Car Facility  
San Antonio International Airport

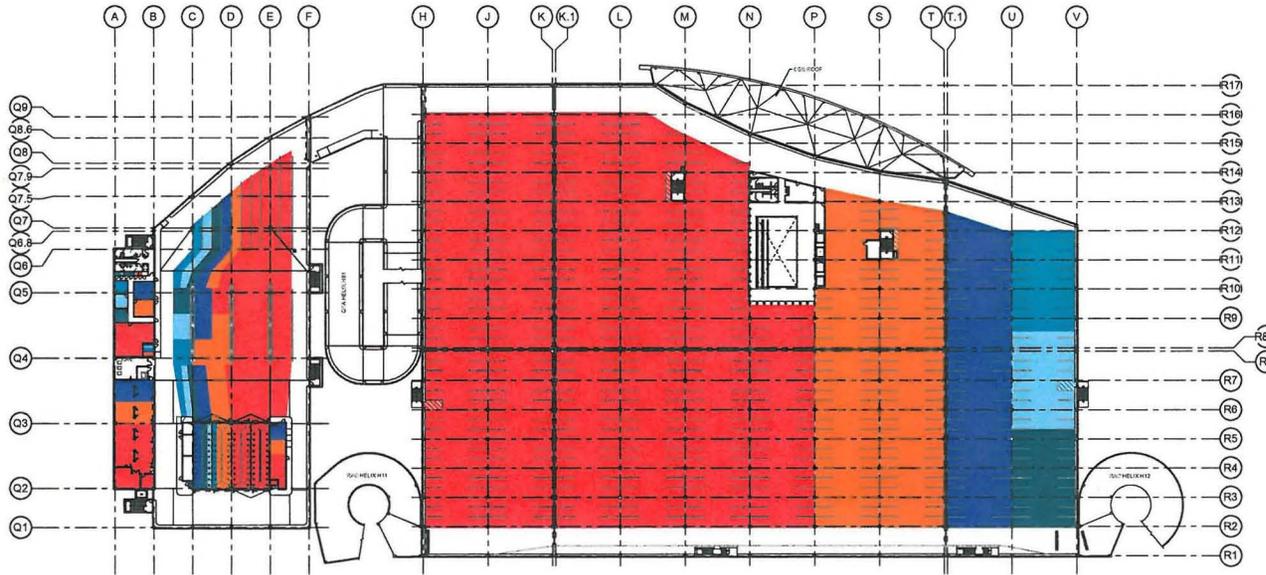
Operators	Exhibit E-5 - Initial Allocation: CSB Lobby Mezzanine Level			CONRAC Areas									Ready/Return Stalls	Storage -- Exhibit E-4 Level 7	
	Offices	Counter & Queue	Total CSB Space	Exhibits	Ready/Return	QTA	Total Square Feet	Stacking	Fuel positions	Wash Bays	Maintenance Bays		Stalls	Square Feet	
Enterprise/Alamo/National	1,670	2,492	4,162	Exhibit E-1 Level 3	194,600	34,171	228,771	32	18	4	4	680	470	88,909	
Hertz /Dollar/Thrifty	1,570	2,375	3,945	Exhibit E-2 Level 5	194,073	34,171	228,244	32	18	4	4	680	428	79,774	
Avis/Payless	793	1,185	1,978	Exhibit E-3 Level 6	125,226	18,946	144,172	21	10	2	2	445	77	14,985	
Budget	255	480	735	Exhibit E-3 Level 6	35,099	5,145	40,244	3	3	Shared	1	116	29	5,440	
Advantage	237	240	477	Exhibit E-3 Level 6	17,225	4,058	21,283	3	2	Shared	1	60	14	2,652	
Fox	185	240	425	Exhibit E-3 Level 6	5,593	1,679	7,272	1	1	Shared	-	20	14	2,574	
Sixt	169	240	409	Exhibit E-3 Level 6	5,425	1,763	7,188	2	1	Shared	-	19	14	2,606	
E-Z	169	240	409	Exhibit E-3 Level 6	5,489	1,830	7,319	2	1	Shared	-	20	14	2,620	
<b>Total</b>	<b>5,048</b>	<b>7,492</b>	<b>12,540</b>		<b>582,730</b>	<b>101,763</b>	<b>684,493</b>	<b>96</b>	<b>54</b>	<b>12</b>	<b>12</b>	<b>2,040</b>	<b>1,060</b>	<b>199,560</b>	





EXHIBIT E-3 - INITIAL ALLOCATION: LEVEL 4 PLAN

Area (Ready/Return)	Area (QTA)	AREA (Total)	Initial Allocations	Stacking	Fuel Positions	Wash Bays	Maint. Bays	Ready/Return Stalls
17,225 SF	4,058 SF	21,283 SF	Advantage	3	2	Shared	1	80
125,226 SF	18,946 SF	144,172 SF	Avis/Payless	21	10	2	2	445
35,099 SF	5,145 SF	40,244 SF	Budget	3	3	Shared	1	116
5,593 SF	1,679 SF	7,272 SF	Fox	1	1	Shared	0	20
5,425 SF	1,763 SF	7,188 SF	Sixt	2	1	Shared	0	19
5,489 SF	1,830 SF	7,319 SF	E-Z	2	1	Shared	0	20
<b>Total: 194,057 SF</b>	<b>33,421 SF</b>	<b>227,478 SF</b>		<b>32</b>	<b>18</b>	<b>4</b>	<b>4</b>	<b>680</b>



1 INITIAL ALLOCATION - LEVEL 4 PLAN  
1" = 40'-0"

505 11th STREET  
IRVINE, CA 92612

NOT FOR CONSTRUCTION

CONSULTANTS:

SAN ANTONIO INTERNATIONAL AIRPORT  
CONSOLIDATED RENTAL CAR FACILITY  
SAN ANTONIO, TX

REVISIONS:

NO.	DATE	DESCRIPTION

DRAWN BY:

JL

CHECKED BY:

JL

DATE:

05-21-2019

SCALE:

1" = 40'-0"

DESIGNED BY:

JL

DATE:

05-21-2019

CHECKED BY:

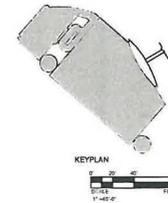
JL

SHEET TITLE:

INITIAL ALLOCATION - LEVEL 4 PLAN

SHEET NO:

EXHIBIT E-3



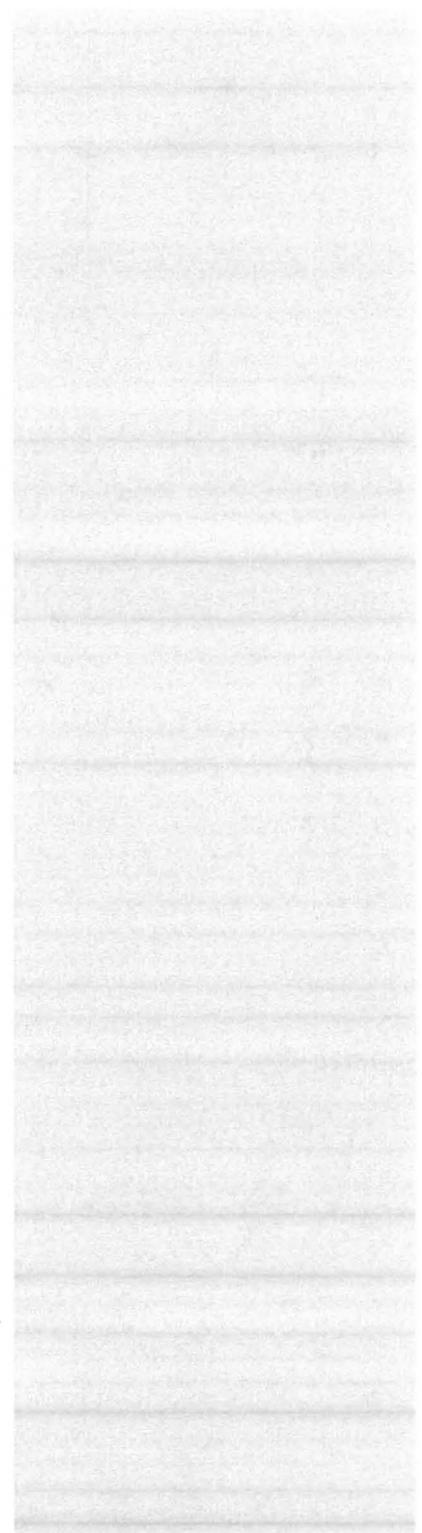
5/23/2019 10:58:49 AM C:\Users\jpl\ppl\Documents\REVIT\BAC\01\05\_0000291914\_Level 4 Initial Allocation.rvt

IF THE DIMENSION IS LESS THAN 10" X 40" IT IS A REQUESTED SIZE DIMENSION





**Exhibit F**  
**Illustration of Ground Rent Allocation**



**EXHIBIT F**  
**San Antonio International Airport**  
**Illustrative CONRAC Ground Rent Calculation**

**Total Ground Rent Requirement**

Lease Site Area	488,275 square feet
Ground Rent Rate	<u>\$1.00</u>
Total Ground Rent Requirement	<u><u>\$488,275.00</u></u>

**Ground Rent Allocation per Exhibit C**

CONRAC Area	1,343,054	73.9%
Public Parking Area	<u>473,117</u>	<u>26.1%</u>
	<u><u>1,816,171</u></u>	<u><u>100.0%</u></u>

Total CONRAC Ground Rent	361,078.16
Total City Ground Rent	<u>127,196.84</u>
	<u><u>\$488,275.00</u></u>

**Operator's Ground Rent Allocation**

Square Footage of Ready/Return per Floor per Exhibit I					
	Level 1	Level 2	Level 3	Level 4	Total
Advantage	-	-	17,225.00	2,652.00	19,877.00
Avis/Payless	-	-	125,226.00	14,985.00	140,211.00
Budget	-	-	35,099.00	5,440.00	40,539.00
Enterprise/Alamo/National	194,600.00	-	-	88,909.00	283,509.00
E-Z	-	-	5,489.00	2,620.00	8,109.00
Fox	-	-	5,593.00	2,574.00	8,167.00
Hertz/Dollar/Thrifty	-	194,073.00	-	79,774.00	273,847.00
Sixt	-	-	5,425.00	2,606.00	8,031.00
	<u>194,600.00</u>	<u>194,073.00</u>	<u>194,057.00</u>	<u>199,560.00</u>	<u>782,290.00</u>

Operator's Ground Rent Allocation					
	Level 1	Level 2	Level 3	Level 4	Rents
	28.0%	28.0%	28.0%	16.0%	100.0%
\$	361,078.16	\$ 101,101.89	\$ 101,101.89	\$ 101,101.89	\$ 57,772.51
					\$ 361,078.16
Advantage	0.0%	0.0%	8.9%	1.3%	\$ 9,741.82
Avis/Payless	0.0%	0.0%	64.5%	7.5%	69,579.73
Budget	0.0%	0.0%	18.1%	2.7%	19,861.13
Enterprise/Alamo/National	100.0%	0.0%	0.0%	44.6%	126,840.99
E-Z	0.0%	0.0%	2.8%	1.3%	3,618.21
Fox	0.0%	0.0%	2.9%	1.3%	3,659.07
Hertz/Dollar/Thrifty	0.0%	100.0%	0.0%	40.0%	124,196.41
Sixt	0.0%	0.0%	2.8%	1.3%	3,580.81
					<u>\$ 361,078.16</u>

**Exhibit G**  
**Preliminary Financial Plan**

**San Antonio International Airport  
Consolidated Rental Car Facility  
Preliminary Project Costs**

	PARKING	CONRAC	TOTAL
Cost of Work (per Turner Construction)	25,765,836.00 24.55%	79,175,717.00 75.45%	104,941,553.00 100.00%
Balance of Turner Contract	7,408,829.00	22,766,556.00	30,175,385.00
IT and PRCS Allowance	800,000.00	-	800,000.00
Other Construction Costs	551,526.57	1,694,783.43	2,246,310.00
Total Design Services	3,138,430.77	9,644,069.23	12,782,500.00
Project Management - TCI	790,362.32	2,428,700.68	3,219,063.00
Inspections and Testing	432,861.60	1,330,138.40	1,763,000.00
Interim Wayfinding	-	422,189.00	422,189.00
Ricondo Consulting Services	122,762.79	377,237.21	500,000.00
Tenant Rep - JDA	-	250,000.00	250,000.00
<b>Total</b>	<b>39,010,609.05</b> 24.83%	<b>118,089,390.95</b> 75.17%	<b>157,100,000.00</b> 100.00%
Shuttling Costs/Lost Parking Revenue	2,086,967.46	6,413,032.54	\$8,500,000
<b>Total</b>	<b>41,097,576.51</b>	<b>124,502,423.49</b>	<b>165,600,000.00</b>

**Table 6-1: Historical and Projected Rental Car Activity and CFC Collections**

(Fiscal Years Ending September 30)

		ACTUAL	ACTUAL	ACTUAL	PROJECTED								
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Growth Rate					0.1%	2.5%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%
Deplaned Passengers	[A]	4,131,860	4,126,560	4,181,865	4,185,000	4,290,000	4,395,000	4,500,000	4,605,000	4,710,000	4,815,000	4,920,000	5,025,000
Historical Average Ratio of Transaction Days to Deplaned Passengers <sup>1/</sup>	[B]				48.8%	48.8%	48.8%	48.8%	48.8%	48.8%	48.8%	48.8%	48.8%
Rental Car Transaction Days	[C] = [A] * [B]	2,160,785	2,030,130	2,035,682	2,042,280	2,093,520	2,144,760	2,196,000	2,247,240	2,298,480	2,349,720	2,400,960	2,452,200
CFC Rate (\$ per transaction day) <sup>2/</sup>	[D]	\$ 4.50	\$ 4.50	\$ 4.50	\$4.50/\$5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$5.00/\$5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50
CFC Collections <sup>3/</sup>	[E] = [C] * [D]	\$ 4,524,984	\$ 9,140,378	\$ 9,160,569	\$ 9,360,450	\$ 10,467,600	\$ 10,723,800	\$ 10,980,000	\$ 11,423,470	\$ 12,641,640	\$ 12,923,460	\$ 13,205,280	\$ 13,487,100

**Compound Annual Growth Rate of CFC Collections**

2012 - 2014	42.3%
2013 - 2014	0.2%
2014 - 2016	6.9%
2016 - 2023	3.7%
2013 - 2023	4.0%

NOTES:

1/ Based on average ratio of transaction days to deplaned passengers for FY 2013, FY 2014, and year-to-date FY 2015 through January.

2/ CFC collections began on April 1, 2012 at a rate of \$4.50 per transaction day. The CFC rate is projected to increase to \$5.00 per transaction day on July 1, 2015 and is projected to increase to \$5.50 per transaction day on July 1, 2019. CFC remittance to the Airport for each rate increase is projected to begin one month after the proposed rate increase.

3/ CFC collections based on actual collections for FY 2012 (six months), FY 2013, and FY 2014 and are projected for FY 2015 through FY 2023 (based on deplanement projections).

SOURCES: City of San Antonio, Department of Aviation (Historical Average Ratio); Coastal Securities (CFC Rates as of May 20, 2015); InterVISTAS Consulting Inc. (Deplaned Passengers Growth Rate); Ricondo & Associates, Inc. (Projections), May 2015

PREPARED BY: Ricondo & Associates, Inc., May 2015

**Table 6-2: CFC Application of Revenues**

(For Fiscal Years Ending September 30)

	PROJECTED								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Gross Revenues:</b>									
CFC Collections <sup>1/</sup>	\$ 2,467,755	\$ 10,467,600	\$ 10,723,800	\$ 10,980,000	\$ 11,423,470	\$ 12,641,640	\$ 12,923,460	\$ 13,205,280	\$ 13,487,100
Contingent Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income <sup>2/</sup>	\$ 33,314	\$ 84,312	\$ 85,862	\$ 85,862	\$ 85,862	\$ 92,475	\$ 93,392	\$ 97,749	\$ 98,829
<b>Total Gross Revenues</b>	<b>\$ 2,501,069</b>	<b>\$ 10,551,912</b>	<b>\$ 10,809,662</b>	<b>\$ 11,065,862</b>	<b>\$ 11,509,332</b>	<b>\$ 12,734,115</b>	<b>\$ 13,016,852</b>	<b>\$ 13,303,029</b>	<b>\$ 13,585,929</b>
<b>Application of Gross Revenues:</b>									
Debt Service Fund									
Debt Service Payments <sup>3/</sup>	\$ -	\$ 5,269,760	\$ 5,731,461	\$ 5,731,461	\$ 5,731,461	\$ 6,731,461	\$ 6,950,361	\$ 8,082,299	\$ 8,327,695
Debt Service Reserve Fund									
Debt Service Reserve Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Coverage Fund									
Debt Service Coverage Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Parking Area GARB Debt Fund									
Debt Service Payments <sup>3/</sup>	\$ -	\$ 1,786,021	\$ 1,942,500	\$ 1,942,500	\$ 1,942,500	\$ 2,702,500	\$ 2,704,500	\$ 2,704,500	\$ 2,702,500
Administrative Costs Fund									
Administrative Costs	\$ -	\$ 50,000	\$ 50,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
CFC Renewal and Replacement Fund									
CFC Renewal and Replacement Deposits	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 1,920,842	\$ -	\$ -	\$ -	\$ -
CFC Surplus Fund									
CFC Surplus Deposits	\$ 1,501,069	\$ 2,446,131	\$ 1,585,701	\$ 1,091,901	\$ 1,614,529	\$ 3,000,154	\$ 3,061,991	\$ 2,216,230	\$ 2,255,734
<b>Total Application of Gross Revenues</b>	<b>\$ 2,501,069</b>	<b>\$ 10,551,912</b>	<b>\$ 10,809,662</b>	<b>\$ 11,065,862</b>	<b>\$ 11,509,332</b>	<b>\$ 12,734,115</b>	<b>\$ 13,016,852</b>	<b>\$ 13,303,029</b>	<b>\$ 13,585,929</b>

NOTES:

1/ CFC collections for the first nine months of FY 2015 will be applied towards project costs. CFC collections began on April 1, 2012 at a rate of \$4.50 per transaction day. The CFC rate is projected to increase to \$5.00 per transaction day on July 1, 2015 and is projected to increase to \$5.50 per transaction day on July 1, 2019. CFC remittance to the Airport for each rate increase is projected to begin one month after the proposed rate increase.

2/ Interest rate of 0.5% on fund balances.

3/ Debt service provided by Coastal Securities; Interest only payments for first five years; adjusted to reflect additional PAYGO CFCs.

SOURCES: Coastal Securities (Debt Service), May 20, 2015; Ricondo & Associates, Inc. (Projections), May 2015

PREPARED BY: Ricondo & Associates, Inc., May 2015

Table 6-3: Series 2015 Bonds Cash Flow

(For Fiscal Years Ending September 30)

		PROJECTED								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenue Fund</b>										
Beginning Balance		\$ 29,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	CFC Collections <sup>1/</sup>	\$ 2,467,755	\$ 10,467,600	\$ 10,723,800	\$ 10,980,000	\$ 11,423,470	\$ 12,641,640	\$ 12,923,460	\$ 13,205,280	\$ 13,487,100
Deposit	Contingent Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In	Debt Service Fund (Interest) <sup>2/</sup>	\$ -	\$ 13,207	\$ 14,364	\$ 14,364	\$ 14,364	\$ 18,442	\$ 19,266	\$ 23,318	\$ 24,311
Transfer In	Debt Service Reserve Fund (Interest) <sup>2/</sup>	\$ 28,004	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007
Transfer In	Debt Service Coverage Fund (Interest) <sup>2/</sup>	\$ 5,311	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621
Transfer In	Public Parking Area GARB Debt Fund (Interest) <sup>2/</sup>	\$ -	\$ 4,476	\$ 4,868	\$ 4,868	\$ 4,868	\$ 7,404	\$ 7,497	\$ 7,803	\$ 7,889
Transfer Out	Construction Fund	\$ (21,150,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	Airport Parking Operating Funds Account	\$ (8,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	Debt Service Fund <sup>3/</sup>	\$ -	\$ (5,269,760)	\$ (5,731,461)	\$ (5,731,461)	\$ (5,731,461)	\$ (6,731,461)	\$ (6,950,361)	\$ (8,082,299)	\$ (8,327,695)
Transfer Out	Debt Service Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	Public Parking Area Debt Fund <sup>3/</sup>	\$ -	\$ (1,786,021)	\$ (1,942,500)	\$ (1,942,500)	\$ (1,942,500)	\$ (2,702,500)	\$ (2,704,500)	\$ (2,704,500)	\$ (2,702,500)
Transfer Out	Administrative Costs Fund	\$ -	\$ (50,000)	\$ (50,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)
Transfer Out	CFC Renewal and Replacement Fund	\$ (1,000,000)	\$ (1,000,000)	\$ (1,500,000)	\$ (2,000,000)	\$ (1,920,842)	\$ -	\$ -	\$ -	\$ -
Transfer Out	CFC Surplus Fund	\$ (1,501,069)	\$ (2,446,131)	\$ (1,585,701)	\$ (1,091,901)	\$ (1,614,529)	\$ (3,000,154)	\$ (3,061,991)	\$ (2,216,230)	\$ (2,255,734)
Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Debt Service Fund</b>										
Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In	Revenue Fund	\$ -	\$ 5,269,760	\$ 5,731,461	\$ 5,731,461	\$ 5,731,461	\$ 6,731,461	\$ 6,950,361	\$ 8,082,299	\$ 8,327,695
Deposit	Interest <sup>4/</sup>	\$ -	\$ 13,207	\$ 14,364	\$ 14,364	\$ 14,364	\$ 18,442	\$ 19,266	\$ 23,318	\$ 24,311
Transfer Out	Revenue Fund <sup>2/</sup>	\$ -	\$ (13,207)	\$ (14,364)	\$ (14,364)	\$ (14,364)	\$ (18,442)	\$ (19,266)	\$ (23,318)	\$ (24,311)
Payment	Debt Service <sup>3/</sup>	\$ -	\$ (5,269,760)	\$ (5,731,461)	\$ (5,731,461)	\$ (5,731,461)	\$ (6,731,461)	\$ (6,950,361)	\$ (8,082,299)	\$ (8,327,695)
Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Debt Service Reserve Fund</b>										
Beginning Balance		\$ -	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489
Deposit	Reserve Requirement	\$ 11,201,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	Interest <sup>4/</sup>	\$ 28,004	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007	\$ 56,007
Transfer Out	Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	Revenue Fund <sup>2/</sup>	\$ (28,004)	\$ (56,007)	\$ (56,007)	\$ (56,007)	\$ (56,007)	\$ (56,007)	\$ (56,007)	\$ (56,007)	\$ (56,007)
Ending Balance		\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489	\$ 11,201,489
<b>Debt Service Coverage Fund</b>										
Beginning Balance		\$ -	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247
Deposit	Coverage Requirement	\$ 2,124,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	Interest <sup>4/</sup>	\$ 5,311	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621	\$ 10,621
Transfer Out	Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	Revenue Fund <sup>2/</sup>	\$ (5,311)	\$ (10,621)	\$ (10,621)	\$ (10,621)	\$ (10,621)	\$ (10,621)	\$ (10,621)	\$ (10,621)	\$ (10,621)
Ending Balance		\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247
<b>Public Parking Area GARB Debt Fund</b>										
Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In	Revenue Fund	\$ -	\$ 1,786,021	\$ 1,942,500	\$ 1,942,500	\$ 1,942,500	\$ 2,702,500	\$ 2,704,500	\$ 2,704,500	\$ 2,702,500
Deposit	Interest <sup>4/</sup>	\$ -	\$ 4,476	\$ 4,868	\$ 4,868	\$ 4,868	\$ 7,404	\$ 7,497	\$ 7,803	\$ 7,889
Transfer Out	Revenue Fund <sup>2/</sup>	\$ -	\$ (4,476)	\$ (4,868)	\$ (4,868)	\$ (4,868)	\$ (7,404)	\$ (7,497)	\$ (7,803)	\$ (7,889)
Payment	Debt Service <sup>3/</sup>	\$ -	\$ (1,786,021)	\$ (1,942,500)	\$ (1,942,500)	\$ (1,942,500)	\$ (2,702,500)	\$ (2,704,500)	\$ (2,704,500)	\$ (2,702,500)
Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Table 6-3: Series 2015 Bonds Cash Flow

(For Fiscal Years Ending September 30)

		PROJECTED								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Administrative Costs Fund</b>										
Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In	Revenue Fund	\$ -	\$ 50,000	\$ 50,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Payment	Administrative Costs	\$ -	\$ (50,000)	\$ (50,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)
Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CFC Renewal and Replacement Fund</b>										
Beginning Balance		\$ -	\$ 1,002,500	\$ 2,010,031	\$ 3,523,866	\$ 5,546,542	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
Deposit	Bond Closing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	Interest <sup>4/</sup>	\$ 2,500	\$ 7,531	\$ 13,835	\$ 22,676	\$ 32,616	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500
Transfer In	Revenue Fund	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 1,920,842	\$ -	\$ -	\$ -	\$ -
Transfer In	CFC Surplus Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,290,000	\$ 2,263,730	\$ 1,290,000
Payment	Major Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,290,000)	\$ (2,263,730)	\$ (1,290,000)
Transfer Out	CFC Surplus Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)
Ending Balance		\$ 1,002,500	\$ 2,010,031	\$ 3,523,866	\$ 5,546,542	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
<b>CFC Surplus Fund</b>										
Beginning Balance		\$ -	\$ 1,504,822	\$ 3,958,477	\$ 5,163,970	\$ 5,281,691	\$ 3,382,778	\$ 2,851,301	\$ 2,000,000	\$ 2,000,000
Deposit	Interest <sup>4/</sup>	\$ 3,753	\$ 7,524	\$ 19,792	\$ 25,820	\$ 26,408	\$ 16,914	\$ 14,257	\$ 10,000	\$ 10,000
Transfer In	Revenue Fund	\$ 1,501,069	\$ 2,446,131	\$ 1,585,701	\$ 1,091,901	\$ 1,614,529	\$ 3,000,154	\$ 3,061,991	\$ 2,216,230	\$ 2,255,734
Transfer In	CFC Renewal and Replacement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500
Payment	Tenant Improvement Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ -	\$ -
Payment/Transfer	Routine Maintenance Reimbursement Account	\$ -	\$ -	\$ (400,000)	\$ (1,000,000)	\$ (1,539,850)	\$ (1,586,046)	\$ (675,048)	\$ -	\$ (1,013,234)
Transfer Out	CFC Renewal and Replacement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,290,000)	\$ (2,263,730)	\$ (1,290,000)
Ending Balance		\$ 1,504,822	\$ 3,958,477	\$ 5,163,970	\$ 5,281,691	\$ 3,382,778	\$ 2,851,301	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Routine Maintenance Reimbursement Account</b>										
Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In	CFC Surplus Fund	\$ -	\$ -	\$ 400,000	\$ 1,000,000	\$ 1,539,850	\$ 1,586,046	\$ 675,048	\$ -	\$ 1,013,234
Payment	Routine Maintenance Reimbursement	\$ -	\$ -	\$ (400,000)	\$ (1,000,000)	\$ (1,539,850)	\$ (1,586,046)	\$ (675,048)	\$ -	\$ (1,013,234)
Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Airport Parking Operating Funds Account</b>										
Beginning Balance		\$ 8,500,000	\$ 7,285,714	\$ 2,428,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In	CFC Surplus Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment	Airport Parking Operating Funds	\$ (1,214,286)	\$ (4,857,143)	\$ (2,428,571)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance		\$ 7,285,714	\$ 2,428,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

- 1/ CFC collections for the first nine months of FY 2015 will be applied towards project costs. CFC collections began on April 1, 2012 at a rate of \$4.50 per transaction day. The CFC rate is projected to increase to \$5.00 per transaction day on July 1, 2015 and is projected to increase to \$5.50 per transaction day on July 1, 2019. CFC remittance to the Airport for each rate increase is projected to begin one month after the proposed rate increase.
- 2/ Interest earnings remain in the fund until requirement is satisfied and then transferred to the CONRAC Revenue Fund thereafter.
- 3/ Debt service provided by Coastal Securities; Interest only payments for first five years; adjusted to reflect additional PAYGO CFCs.
- 4/ Interest rate of 0.5% on fund balances.

SOURCES: Coastal Securities (Debt Service), May 20, 2015; Ricondo & Associates, Inc. (Projections), May 2015

PREPARED BY: Ricondo & Associates, Inc., May 2015

**Table 6-4: CFC Debt Service Coverage**

(For Fiscal Years Ending September 30)

		PROJECTED									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Total Resources to Debt Service Coverage</b>											
<u>Revenue:</u>											
CFC Collections <sup>1/</sup>	[A]	\$ 2,467,755	\$ 10,467,600	\$ 10,723,800	\$ 10,980,000	\$ 11,423,470	\$ 12,641,640	\$ 12,923,460	\$ 13,205,280	\$ 13,487,100	
Contingent Fees	[B]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest Income <sup>2/</sup>	[C]	\$ 33,314	\$ 84,312	\$ 85,862	\$ 85,862	\$ 85,862	\$ 92,475	\$ 93,392	\$ 97,749	\$ 98,829	
Total Revenue	[D] = [A] + [B] + [C]	\$ 2,501,069	\$ 10,551,912	\$ 10,809,662	\$ 11,065,862	\$ 11,509,332	\$ 12,734,115	\$ 13,016,852	\$ 13,303,029	\$ 13,585,929	
Total Debt Service	[E]	\$ -	\$ 5,269,760	\$ 5,731,461	\$ 5,731,461	\$ 5,731,461	\$ 6,731,461	\$ 6,950,361	\$ 8,082,299	\$ 8,327,695	
Debt Service Coverage - Rate Covenant	[F] = [D] / [E]	N/A	2.00	1.89	1.93	2.01	1.89	1.87	1.65	1.63	
<b>Total Resources to Debt Service Coverage</b>											
Debt Service Coverage Fund	[G]	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	\$ 2,124,247	
Total Resources	[H] = [D] + [G]	\$ 4,625,317	\$ 12,676,159	\$ 12,933,909	\$ 13,190,109	\$ 13,633,579	\$ 14,858,363	\$ 15,141,099	\$ 15,427,277	\$ 15,710,176	
Total Resources to Debt Service Coverage	[I] = [H] / [E]	N/A	2.41	2.26	2.30	2.38	2.21	2.18	1.91	1.89	

NOTES:

1/ CFC collections for the first nine months of FY 2015 will be applied towards project costs. CFC collections began on April 1, 2012 at a rate of \$4.50 per transaction day. The CFC rate is projected to increase to \$5.00 per transaction day on July 1, 2015 and is projected to increase to \$5.50 per transaction day on July 1, 2019. CFC remittance to the Airport for each rate increase is projected to begin one month after the proposed rate increase.

2/ Interest rate of 0.5% on fund balances.

SOURCES: Coastal Securities (Debt Service), May 20, 2015; Ricondo & Associates, Inc. (Projections), May 2015

PREPARED BY: Ricondo & Associates, Inc., May 2015

**EXHIBIT H  
PAYMENT BOND**

STATE OF TEXAS                            )  
COUNTY OF BEXAR                        )  
CITY OF SAN ANTONIO                    )        Know all men by these presents:

1. That we \_\_\_\_\_, as Principal,  
and \_\_\_\_\_  
as Sureties, do hereby acknowledge ourselves to be held and firmly bound unto City of San Antonio, a municipal corporation of the County of Bexar and State of Texas in the sum of \$ \_\_\_\_\_ for payment of which sum well and truly to be made in and unto said City of San Antonio, we do hereby bind and obligate ourselves, our heirs, executors, administrators, assigns, and successors, jointly and severally:

2. THE CONDITIONS OF THIS BOND, HOWEVER, ARE SUCH THAT WHEREAS, the said  
OPERATOR NAME  
hereinafter called Principal, has made and does this day make and enter into a certain contract in writing with said City of San Antonio, for the construction and completion for said City of certain structures, work and improvements generally described as

**Initial Tenant Improvements for the San Antonio International Airport Consolidated Rental Car Facility**

and for the performance and observance of diverse other matters and things in connection with said work, and, inter alia, therein entered into covenants and agreements to promptly pay all persons supplying labor, materials and services in the prosecution of the work provided for in said contract; all as more fully described in said contract and its included instruments which are expressly made a part of this obligation;

3. NOW THEREFORE, if Principal, the Principal party to this obligation shall promptly make payment to all persons supplying labor and materials in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation shall be and become null and void, but otherwise to remain in full force and effect: and it is hereby further understood and agreed that this bond shall be a continuous obligation against the principal and each member of said principal party hereto, and each and all sureties hereon, and that successive recoveries may be had thereon for each and every breach of this bond until the full amount thereof shall have been exhausted; and the liability of the sureties on this bond shall not be in any manner released or diminished by any changes in the work which may be authorized or directed by City, nor by the exercise or failure to exercise by or on behalf of City any right or remedy provided by the contract or specifications or by any law or ordinances.

4. It is further understood that this obligation is incurred pursuant to Chapter 2253 of the Texas Government Code, and that this obligation is for the benefit and sole protection of all persons supplying labor and materials in the prosecution of said contract.

5. IN TESTIMONY WHEREOF, witness our hands and the seal of any incorporated surety hereon this day of \_\_\_\_\_ A.D. 20 \_\_\_\_\_.

\_\_\_\_\_

By: \_\_\_\_\_

(Typed Name) \_\_\_\_\_

\_\_\_\_\_

( Surety)  
By: \_\_\_\_\_

(SEAL)

(Typed Name) \_\_\_\_\_

\_\_\_\_\_  
Address of Surety for Service Purposes

**Exhibit I**  
**CFC Remittance Form**



City of San Antonio  
Aviation Department  
Monthly Customer Facility Charge Report

Rev. May 22, 2015

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**Concessionaire**

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**Monthly Reporting Period**

Monthly Transactions

Monthly Transaction Days @

\$ 5.00

Monthly CFC Remittance

\$ -

Prepared by:

Date

E-Mail Address

Phone Number



City of San Antonio  
Aviation Department  
Monthly Customer Facility Charge Report

Rev. May 22, 2015

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Concessionaire

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Monthly Reporting Period

Monthly Transactions			<input type="text"/>
Monthly Transaction Days @ Rate 1	\$	4.50	<input type="text"/>
CFC Remittance			\$ -
Monthly Transaction Days @ Rate 2	\$	5.00	<input type="text"/>
CFC Remittance			\$ -
Monthly CFC Remittance			\$ -

Prepared by: _____	Date _____
E-Mail Address _____	Phone Number _____

**Exhibit J**  
**Operations Manual**  
*[to be added as exhibit when complete]*