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

AN ORDINANCE 2015-06-18-0547

AUTHORIZING A STANDARD CONCESSION AGREEMENT WITH RENTAL CAR OPERATORS FOR 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, the City has negotiated a Standard Concession 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; and

WHEREAS, the Standard Concession Agreement establishes payment of the greater of the minimum annual guarantee (MAG) of $250,000.00 per rental car brand or percentage rent of 10% of gross revenues; and

WHEREAS, the term will commence on the day the CONRAC is declared open for business, and continue for 10 years with the option to renew for an additional 10 year term; and

WHEREAS, Aviation staff recommends the approval of Standard Concession Agreements with each of the above-named operators; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of Standard Concession 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 a Standard Concessions Agreement with these rental car operators, a copy of which in substantially final form is set in **Attachment 1**.

SECTION 2. Funds generated by this Ordinance will be deposited into Fund 51001000, Internal Order 233000000007 and General Ledger 4409027.

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, 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.

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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 18th 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

Agenda Item:	**25D (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)**
Date:	06/18/2015
Time:	10:00:14 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing a standard concession agreement with the rental car firms to commence on the date the facility is declared open, with a minimum guaranteed rent of $250,000.00 per rental car brand per year.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
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

RENTAL CAR
CONCESSION AGREEMENT

by and between

THE CITY OF SAN ANTONIO, TEXAS

and

_____

DATE OF EXECUTION: _____

EFFECTIVE DATE: _____

DATE OF TERMINATION: _____

Preliminary Draft – For Review and Revision
Not For Publication

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RENTAL CAR CONCESSION AGREEMENT

This Rental Car Concession Agreement (**"Concession Agreement"**) entered into this _____ day of _____, 2015, by and between the City of San Antonio (**"City"**), a Texas Municipal Corporation acting by and through its City Manager, pursuant to Ordinance Number _____ passed and approved by the City Council on _____, and _____, a _____ *[type of entity]* authorized to conduct business in the State of Texas, acting by and through its authorized officers pursuant to a resolution of its Board of Directors, hereinafter called **"Operator"**.

WITNESSETH:

WHEREAS, the City is the owner and operator of the San Antonio International Airport and Stinson Municipal Airport (**"Airports"**); and,

WHEREAS, the Operator is engaged in the business of renting motor vehicles to others; and,

WHEREAS, the City wishes to grant to Operator the right to operate a rental car concession from the Consolidated Rental Car Center Facility (**"CONRAC"**) which the City is constructing at the Airport under a non-exclusive agreement containing mutually satisfactory terms and covenants;

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, obligations and agreements herein contained, the City and the Operator hereby mutually undertake, promise and agree, each for itself, and its successors and assigns as follows:

ARTICLE 1 DEFINITIONS

The capitalized terms used in this Concession 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 Concession Agreement the Lease Agreement, or the Bond Documents. In case of conflicting language in the definitions or among the terms and provisions of the documents referenced in the preceding sentence, priority of meaning shall be in the following order: first, Bond Documents, second, the Lease Agreement, and lastly, the Concession Agreement. The City will conform the Concession Agreement to the terms and condition of the Bond Documents.

1.1 DEFINITIONS.

"ACDBE Regulations" is defined in **Section 10.1.**

"Airport" means San Antonio International Airport.

"Airports" means San Antonio International Airport and Stinson Municipal Airport.

"Airport Concession Disadvantaged Business Enterprise" ("ACDBE") is defined in **Section 10.3.**

"Airport Customer" means:

(i) any person who enters into a Motor Vehicle rental agreement with Operator at the Airport or takes delivery of a rental car from Operator at the CONRAC; or

(ii) any person who enters into a Motor Vehicle rental agreement with Operator 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 Terminal building as depicted on **Exhibit 2**, a copy of which is attached hereto, 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**, a copy of which is attached hereto; 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 Rental Car Transaction and subject to the Concession Fee and CFC, unless containing the initialed statement described within this subparagraph that qualifies the contract for the above exclusion.

"Allowable Exclusions" is defined in **Section 4.1.4**.

"Annual Audit Statement" is defined in **Section 4.6**.

"Applicable Law" means all applicable laws, ordinances, orders, directives, rules, codes and regulations of all Authorities and all grant assurances provided by City to any Authorities in connection with City's ownership or operation of the Airports, as the same may be amended, modified or updated from time to time.

"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" or **"Director"** means the Director of the City's Aviation Department or his designee.

"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 commence on the first day of July 1 of each year.

"Brand" means the brand(s) or trade name(s) that Operator is authorized to operate at the Airport as set forth in **Section 6.3** 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 the Lease Agreement and this 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 this Concession Agreement and **Section 10.1.2** of the Lease Agreement, and to no others.

"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, as they now exist or may be amended from time to time.

"Concession Fee" is defined in **Section 4.1**.

"Concession Year" is defined in **Section 3.1**.

"Consolidated Rental Car Facility" or "CONRAC" means the consolidated rental car facility located at the Airport (excluding the Public Parking Area) as depicted in **Exhibit** ---- of the Lease Agreement.

"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.

"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 facility. No Operator may begin rental car operations in the CONRAC until the DBO.

"Disadvantaged Business Enterprise" ("DBE") is defined in **Section 10.3.**

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

"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.

"Family" means a group of Brands or trade name(s) owned or operated by a single legal entity and which Operator will operate at the Airport as set forth in **Section 6.3** hereof, or as amended from time to time.

"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.

"Gross Revenue" is defined in **Section 4.1.**

"Initial Concession Period" is defined in **Section 3.1**.

"Lease Agreement" means the Consolidated Rental Car Facility Lease Agreement between the City and the Operators for the use and occupancy of the CONRAC.

"Legal Requirements" means all laws, statutes and ordinances, including 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 Airports, and all requirements, obligations and conditions of all instruments of record on the date of this Concession Agreement and thereafter.

"Minimum Annual Guaranteed Concession Fee" or **"MAG"** means the minimum amount of money due City annually from Operator in consideration of the rights granted Operator under this Concession Agreement. Payment shall be made on a monthly basis according to the terms

of this Concession Agreement. The minimum MAG for any individual Brand or Brand within a Family is $250,000.00 per Brand.

"Monthly Revenue Report" is defined in **Section 4.2.1**.

"Motor Vehicle" means automobiles, vans, minibuses, and trucks only, as determined by the state of Texas for the purposes of registration of vehicles. For purposes of this Concession Agreement, "car", "Motor Vehicle", and "automobile" are used interchangeably.

"Operator" means the particular Operator executing this Concession Agreement.

"Operators" means all entities, including Operator, having executed a Concession Agreement and 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 Concession Agreement.

"Percentage Payment" means the sum of money due City on account of City's share of Gross Revenue from all sales and revenues as hereinafter provided.

"Performance Guarantee" is defined in **Section 5.1**.

"Prior Concession Agreement" means that certain Car Rental Lease and Concession Agreement at San Antonio International Airport, authorized pursuant to Ordinance Number 2008-06-12-0527 approved on June 12, 2008, as amended by Amendment Number 1, authorized pursuant to Ordinance Number 2013-05-30-0360, approved on May 30, 2013, and by Administrative Amendment Number 2, dated _____.

"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.

"Stinson" means Stinson Municipal Airport.

"Term" is defined in **Section 3.1**.

"Transaction" means a distinct act of business between an Operator and an Airport Customer for rental of a Motor Vehicle as authorized under its Concession Agreement. Each taking of

possession of a Motor Vehicle 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.

"Trustee" means the financial institution identified in the Bond Documents to serve as the trustee for the Bonds or any series thereof.

END OF ARTICLE

ARTICLE 2 GRANT OF CONCESSION

City hereby awards and grants to Operator, and Operator hereby accepts, the right and the obligation to operate a rental car concession at the Airport during the Concession Agreement Term on a nonexclusive basis for the purpose of arranging rental vehicle and related services for Airport Customers where such services are furnished by Operator. The concession rights and privileges granted and awarded to Operator are expressly made subject to all of the terms, covenants and conditions of this Concession Agreement and the Lease Agreement. Operator specifically acknowledges and understands that City intends to grant rental car concessions to other Operators. The award of concession rights and privileges to such other Operators shall not constitute a violation of this Concession Agreement, nor, in the event of the cessation or termination of such other rental car concessions during the term hereof, shall the award of concession rights and privileges to a substitute or successor Operator constitute a violation hereof.

The privilege granted herein is for the operation of a Rental Car concession and for no other purpose, and does not extend to or encompass any other activity or area including, but not limited to, vending machines, pay telephones, passenger parking or employee parking. Notwithstanding the foregoing, and upon receipt by Operator of the prior written approval of the Director, ancillary sales and services may be offered by Operator and all monies or other consideration received by Operator therefrom shall be included in the Gross Revenue of Operator hereunder. Sales and services are considered to be ancillary when they form a part of the car rental services and not when they constitute an independent transaction.

END OF ARTICLE

ARTICLE 3 TERM

3.1 TERM.

This Concession Agreement shall be effective and binding between the parties as of the Effective Date conditioned upon Operator then being a party in Good Standing if Operator is party to a Prior Concession Agreement. The Concession Agreement Term shall commence on the first day of the month following DBO and, unless earlier terminated pursuant to the provisions of this Concession Agreement, shall extend until the last day of the tenth (10th) Concession Year (**"Term"**). The period of time between DBO and the first Bond Year will be referred to as the **"Initial Concession Period."** **"Concession Year"** means each successive year during the Term, beginning with the first Bond Year after DBO.

3.2 RENEWALS.

The City in its sole discretion may agree in writing to extend the Term for up to one additional ten (10) year period; provided that the Operator (1) provides the City with written notice of its request to renew nine (9) months prior to expiration of the Term; and (2) is in Good Standing.

3.3 PRIOR CONCESSION AGREEMENT.

If City and Operator are parties to the Prior Concession Agreement, the City and Operator agree that, notwithstanding anything in the Prior Concession Agreement to the contrary, (i) the Prior Concession Agreement shall remain in full force and effect until, and shall terminate on, the last day of the month following DBO, unless terminated earlier in accordance with its terms; provided that those provisions of the Prior Concession Agreement which by their express terms survive the termination of the Prior Concession Agreement shall remain in effect; and (ii) all terms and provisions of this Concession Agreement with respect to, concerning or otherwise relating to the CFC (as defined herein) shall apply to the CFC (as defined in the Prior Concession Agreement) until the DBO.

END OF ARTICLE

ARTICLE 4 PRIVILEGE FEES, CHARGES, AND ACCOUNTABILITY

4.1 CONCESSION FEE.

Operator agrees pay to City, for the concession rights and privileges granted herein, in the manner provided in this **Article 4**, an amount for the Initial Concession Period and for each Concession Year (the **"Concession Fee"**) equal to the greater of the following: (a) the Minimum Annual Guaranteed Concession Fee (**"MAG"**) for such period; or (b) the **"Percentage Fee"** (as defined in **Section 4.1.3** below) for such Concession Year.

4.1.1 Minimum Annual Guaranteed Concession Fee.

For Operators who are parties to or subcontractors under a Prior Concession Agreement, the MAG for the Initial Concession Period and the first Concession Year shall be eighty-five percent (85%) of the Concession Fee due for the last twelve months under the Prior Concession Agreement [i.e., 85% x (10% x Prior Year Gross Revenues)], but in no event less than $250,000.00 per Brand. Operators that are not party to a Prior Concession Agreement shall pay a MAG for the Initial Concession Period and first Concession Year in the amount of $250,000.00 per Brand, to be prorated for the Initial Concession Period. For the nine (9) Concession Years following the first Concession Year, the MAG shall be the greater of (i) eighty-five percent (85%) of the Concession Fee due for the prior twelve (12) months ; or (ii) $250,000.00 per Brand. Assuming that the Concession Year begins in January, for example, in order to provide the MAG amount to Operator in December, the MAG would be based on the Concession Fee due during the prior twelve (12) month period beginning November 1 through October 31.

4.1.2 Minimum Annual Guaranteed Concession Fee Payment.

One-twelfth of the MAG will be paid by electronic funds transfer or check to the City in advance, on the first day of each and every month during the term hereof, without the requirement of a notice to the Operator. The amount shall be pro-rated for time periods less than one month or less than one year, based upon a fraction for which the numerator shall be the number of days in the month that Operator occupies the CONRAC and the denominator shall be the total number of days in the month.

4.1.3 Percentage Fee.

(a) In addition to MAG and other charges set forth herein, Operator shall pay to City, for each month of the Term, Percentage Fee of ten percent (10%) of Gross Revenues, plus an additional one percent (1%) of revenues associated with Car-Sharing rentals if the Car-Sharing Operator has a Car-Sharing membership fee, for those months in which the year-to-date Percentage Fee exceeds the year-to-date MAG. The Percentage Fee shall be equal to the product of the Percentage Fee rate, times Operator's year-to-date Gross Revenues (as defined below) minus the year-to-date MAG amount minus the Percentage Fee accrued through the previous reporting period *[Percentage Fee = (Percentage Fee Rate x year-to-date Gross Revenues minus the year-to-date MAG) minus year-to-date Percentage Fee due in excess of year-to-date MAG]*. Operator shall pay Percentage Fee, if any, to the City monthly. Percentage Fee shall apply at all times during the Term of this Concession Agreement.

(b) City may adjust the Percentage Fee every five (5) Concession Years based on either, as selected by the City: (a) the average of the three (3) highest percentage fees paid under the then current concession contracts with rental car companies at airports in the United States with the same FAA classification as the Airport; or (b) the average of the three (3) highest percentage fees paid under the then current concession contracts with rental car companies out of the six (6) highest enplanement commercial airports in the State of Texas, as selected by the City. City shall determine and notify Operator in writing of the new Percentage Fee, as well as the data used in calculating such amount, sixty (60) days prior to commencement of the Concession Year. In no event shall the Percentage Fee be less than ten percent (10%) of Gross Revenue per Concession Year.

(c) If, at the end of any Concession Year, the total amount of monthly installments of MAG and Percentage Fee paid for such Concession Year are less than the total amount of annual MAG and Percentage Fee required to be paid for such Concession Year, Operator shall pay the amount of such deficiency on or before the time Operator provides Operator's Annual Audit Statement, which shall be certified and signed by an authorized official of Operator. If, at the end of any Concession Year, the total amount of monthly installments of MAG and Percentage Fee paid based on Gross Revenues for such Concession Year exceeds the total amount of annual MAG and Percentage Fee required to be paid for such Concession Year, as indicated in Operator's Annual Statement, Operator shall receive a credit equivalent to such excess, which shall be credited by the City to the next monthly payment(s) of Percentage Fee and/or MAG due from Operator to the City hereunder. If at the end of the final Concession Year the total amount of Percentage Fee paid by Operator exceeds the total amount of annual Concession Fee required to be paid by Operator for such final Concession Year (calculated in the same manner provided hereinabove for non-final Concession Years), such excess shall be refunded to Operator within ninety (90) days after Operator has vacated the CONRAC at the termination of this Concession Agreement, the Operator's CONRAC Leased Premises are in the condition required by this Concession Agreement and the Lease Agreement, City has received the final Operator's Annual Audit Statement, and any other sums due the City from Operator under this Concession Agreement have been paid in full or the City shall be entitled to deduct such remaining sums due from any such excess.

(d) Percentage Fee is agreed to be a portion of the consideration for the City to enter into this Concession Agreement and the City expects it to supplement the MAG to provide a fair return. If Operator fails to continuously operate its business, keep the required hours or vacates the CONRAC prior to the expiration of the Term, the City will suffer damages not readily ascertainable. The City shall have the right to treat any of such events as a material default and breach by Operator and the City shall be entitled to all remedies provided hereunder or at law.

(e) In the event that the MAG is abated or reduced to $0.00, Percentage Fee shall still apply.

4.1.4 Gross Revenues.

"Gross Revenues" means all monies or other consideration paid or payable to the Operator derived from, arising out of, or payable on account of the business conducted by the Operator or from the operations of Operator under this Concession Agreement and in connection with the Airports, whether for cash or credit and without any deduction for credit card discounts; regardless of whether the Motor Vehicle or other products are returned to Airport or to some other location, except as excluded herein. "Gross Revenue" includes all sales made and services provided to persons picked up at the Airports, regardless of the ownership, area, fleet, or location assignment of the vehicles and without regard to (a) the manner in which, or place at which, the vehicles or other products or services are furnished to Operator's customers; or (b) the manner in which the reservation, rental or contract was made or executed (i.e., by what mode, means or process), except as otherwise expressly excluded herein.

"Gross Revenue" includes, but is not limited to, any and all monies or other consideration paid or payable to the Operator for:

(a) Net fees after customer discounts (such discounts must be stated in the rental transaction invoice), paid for the rental or leasing of Motor Vehicles pursuant to daily or time charges and/or mileage. Discounts granted or paid to any organization other than the actual individual customer will not be allowed as a deduction to gross revenue nor will volume discounts/rebates or commissions paid to companies;

(b) Fees, commissions and charges derived from the rental or sale of cellular or mobile phones, GPS, navigational aids/services, satellite radio, toll road collection devices, or other services and/or amenities;

(c) Sale or lease of ancillary items (child restraint devices, bikes, etc.);

(d) Customer supplies;

(e) One-way or drop-off charges and/or valet charges, for or with respect to Motor Vehicle rentals and leases accrued to or billed by Operator for or in conjunction with the rental or lease of said Motor Vehicles;

(f) Any fees(s) or charge(s) designed to collect from customers the fees that Operator must pay to City for the privilege of operating at the Airport. Initially, should such a fee be instituted by Operator, it shall not exceed 11.11% of Gross Revenue as defined herein. Additionally, this fee or charge shall be referred to on all contracts, websites, etc. as the "Concession Recovery Fee" or "Concession Recoupment Fee." If the percent fee is changed by City during the term as per **Section 4.1.3**, Operator will change the Concession Recovery/Recoupment Fee up

to the percentage of Gross Revenues required to make itself whole on the Percentage Fee paid to the City.

(g) All amounts charged to rental car customers for insurance offered by Operator incidental to the rental of such Motor Vehicles, including but not limited to personal accident insurance, personal effects coverage, and collision or loss damage waiver;

(h) All payments received in connection with operations authorized under this Concession Agreement, regardless of the manner in which stated and collected, must be included in Gross Revenue;

(i) All fees assessed to the Operator's customers to recover the cost of vehicle registration, vehicle licensing, personal property taxes, or similar recovery costs not specifically required by law to be assessed to the Operator's customer;

(j) All sums received for additional driver charges;

(k) All sums received as prepayment for fuel provided by Operator (Customer agrees to the charge on or before taking possession of the Motor Vehicle);

(l) The fair market value of any goods, services or other items of value, received by Operator in exchange for the rental value of a Motor Vehicle and in connection with a customer contract, except where the Motor Vehicle is provided to a customer on a short term promotional basis; e.g., certain number of prior rentals entitles the customer to a rental without charge;

(m) Any amounts collected from customers as payment for refueling a Motor Vehicle rented pursuant to a rental agreement under which the customer is obligated to return the Motor Vehicle with the same amount of fuel furnished at the time of rental.

(n) Additional fees charged for government rentals including any "Government Administrative Rate Supplement" (GARS) or similar fee;

(o) Additional fees charged or participation in frequent flyer and other frequent traveler programs;

(p) Fees charged customers for carbon offset or other environmental programs;

(q) Charges to recover Operator's costs, including franchise and other taxes or surcharges levied on Operator's activities, facilities, equipment, real or personal property, payroll taxes, income taxes, taxes on frequent flyer miles paid directly to an airline, vehicle tax, title, licensing and/or registration fees;

(r) Revenues generated from Car-Sharing rentals.

Gross Revenue shall only exclude the following **("Allowable Exclusions"):**

(a) The amounts of any federal, state, or municipal sales taxes or other similar taxes separately stated and required by law to be assessed and collected from customers, whether currently or hereinafter levied or imposed;

(b) Amount of gratuities paid or given by patrons of Operator to employees of the Operator;

(c) Amounts received by reason of Operator's disposal of fleet, capital assets and/or trade fixtures;

(d) Receipts from the sales at cost of uniform or clothing to the Operator's employees where such uniforms are required to be worn by such employees;

(e) Customer Facility Charges collected from customers and remitted to City;

(f) Sums received as proceeds for damage repairs to Motor Vehicles owned or controlled by Operator or to property of Operator, or for loss, conversion or abandonment of such Motor Vehicles, or for replacement of keys;

(g) Sales to customers who are not Airport Customers, who present a valid driver's license with an address in Bexar County, Texas or adjoining counties, and who initial 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." A list of zip codes for Bexar County and adjoining counties is attached hereto as **Exhibit** 1;

(h) CONRAC Facilities Maintenance Fee;

(i) Sums received by Operator for parking tickets, tolls, towing, impound fees, traffic infractions, and any other such fees and the administration thereof.

4.1.5 Abatement of Minimum Annual Guaranteed Concession Fee.
As long as Operator is in Good Standing, the MAG set forth above shall be abated on a monthly basis if during the Term, through no fault of Operator, either or both of the following conditions should occur:

(a) The number of monthly passengers deplaning on scheduled airline flights at the Airport shall be less than eighty percent (80%) of the number of deplaning passengers as compared with the same month of (i) the prior Concession Year, or (ii) the twelve (12) months immediately prior to DBO.

(b) The rental car industry shall be affected by shortages or other disruptions in the supply of automobiles, gasoline or other goods necessary for the industry's operations which result in twenty-five percent (25%) or greater reduction in monthly Gross Revenue for the entire rental car industry at the Airport as compared with the industry's same month of (i) the prior Concession Year, or (ii) the twelve (12) months immediately prior to DBO.

During any period of abatement, Operator will pay to the City the Percentage Fee in lieu of the MAG as well as all other applicable sums set forth in this Concession Agreement. Said abatement shall be in effect for each month that the conditions set forth in **Section 4.1.5 (1)** and/or **(2)** shall continue to exist.

4.2 REVENUE REPORTS AND PAYMENTS.

4.2.1 Monthly Revenue Reports and Payments.

From the DBO to ending on the month following the final month of the Term, Operator shall, on or before the 20th day of each month, submit to City a monthly revenue report (**"Monthly Revenue Report"**) in the form of **Exhibit A** hereto (which may be amended by City from time to time) that details the total Gross Revenue for such preceding month for each location where Operator operates its Rental Car concession at the Airports, including, but not limited to, CONRAC, fixed base operators, and other similar locations on the Airports. The Monthly Revenue Report shall also list any Allowable Exclusions from Gross Revenue, itemized separately with corresponding dollar amounts. The Monthly Revenue Report shall be certified and signed by an authorized official of the Operator. The Monthly Revenue Reports shall be sent to the Remittance Address set forth in **Section 4.3**.

With each Monthly Revenue Report the Operator shall remit to the City ten percent (10%) of its aggregate Gross Revenue derived through the end of the preceding calendar month during the Initial Concession Period and each Concession Year, only to the extent that such percentage of said aggregate exceeds the payments made through the end of the preceding month to the City.

Operator agrees that City may release market share information derived from the Monthly Revenue Reports on a monthly basis to all Operators and to the CONRAC Manager as defined in the Lease Agreement which information may be used by Operators and CONRAC Manager for purposes related to this Lease Agreement and the Concession Agreement.

4.2.2 Annual Reports and Payment.

On the twentieth (20th) day of the month following end of the Initial Concession Period and each Concession Year, Operator shall pay to the City at the Remittance Address set forth in **Section 4.3** the balance of the fees and charges, if any, due to the City for the preceding period on account of the percentage payment provisions hereof, it being

understood that the fees and charges, though payable monthly, shall be computed on an annual basis, except where expressly stated otherwise. If any credit is due to Operator, such credit shall be given only after the City has received the Annual Audit Statement certified by an authorized representative of Operator or by an independent Certified Public Accountant which is required under **Section 4.6**. Such credit, if any, shall be given within thirty (30) days of the date the City reviews and approves a credit, such approval shall not be unreasonably withheld.

4.3 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 prior written notice to Operator. Operator assumes all risk of lost payments if payments are made by mail.

4.4 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 percent (18%) per annum which interest shall accrue from the date due; however, in no event shall the interest rate charged exceed the maximum rate allowable by law. The fee for late reports required under this Concession Agreement shall be $100.00 per month. The City and Operator recognize that the damages which City will suffer as a result of Operator's failure to timely pay amounts due hereunder are difficult or impracticable to ascertain, and agree that such interest and late charge are a reasonable approximation of the damages which City will suffer in the event of Operator's late payment or late tender of required reports. This provision shall not relieve Operator from payment of amounts due hereunder at the time and in the manner herein specified.

4.5 ACCOUNTING PROCEDURES.

Operator shall keep full and accurate books and records including, point of sale detail records showing the Gross Revenue by Brand and Operator as a Family by categories as reported to the City and duplicate rental agreement invoices (physical or electronic copies), showing all of the Gross Revenue of Operator. Operator shall issue a numbered invoice with each sale/transaction.

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 Concession 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 Concession Agreement, 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 Concession Agreement. Operator shall maintain its records relating to the operations

permitted by this Concession Agreement for a period of at least four (4) years after the end of each Concession 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 not to exceed an additional two (2) year period, in which case Operator, at its option, may deliver such records into the custody of the City.

4.6 OPERATOR AUDIT.

Within one hundred twenty (120) days after the end of each Concession Year, Operator, at its own expense, shall provide to City an audited annual accounting statement of the Operator's Gross Revenue and Concession Fees due City for such Concession Year (**"Annual Audit Statement"**). The Annual Audit Statement shall be prepared in accordance with generally accepted accounting principles applicable to private entities. Such audit shall be accompanied by a written statement signed by an authorized officer of the Operator or an independent Certified Public Accountant, and shall include an opinion on whether the statement of Gross Revenue and Concession Fees has been completely and accurately presented, calculated and reported according to the terms of this Concession Agreement, and whether Concession Fees due City have been completely and accurately calculated and paid according to the terms of this Concession Agreement. Such Annual Audit Statement shall also contain a list of the Gross Revenue as shown on the books and records of Operator which were used to compute the Percentage Payments made to City during the period covered by the statement. This obligation shall survive termination of this Concession Agreement. If the Annual Audit Statement shows that Operator owes a balance of fees or charges, such fees and charges shall be delivered at the same time as the written audit. Operator shall pay a late fee of $100.00 for each month that it fails to deliver an Annual Audit Statement. If as a result of Operator's audit, it is determined that additional funds are due the City, City reserves the right to require the Operator to pay to the City interest thereon at the rate of eighteen percent (18%) per annum from the date such item was due and payable until paid, or the maximum allowable rate under law.

4.7 CITY 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 Concession Agreement at all reasonable times, upon prior written notice to Operator for the period of time that Operator is obligated to maintain books and records as set forth in **Section 4.5** above. The City shall specifically be entitled to inspect and audit any records necessary to complete the audit in a manner consistent with generally accepted accounting 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 Concession 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 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. Any additional percentage fees due shall forthwith be paid by the Operator to the City with interest thereon at ten percent (10%) per annum from the date such additional

percentage fees became due. Such interest shall not accrue with respect to disputed items being contested in good faith by Operator. If, however, as a result of the City's audit, it is found that Operator has overpaid any amounts, the City shall credit Operator the amount of such overpayment within thirty (30) days of issuance of the City's final audit report.

4.8 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 related expenses incurred by the City to travel to the location outside the San Antonio region.

4.9 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 5 PERFORMANCE GUARANTEE

5.1 PERFORMANCE GUARANTEE

Upon the DBO, Operator shall deposit with City the sum equal to fifty percent (50%) of the MAG, to be held by City as security for Operator's full, faithful, and timely performance of its obligations under this Concession 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 payable within ten (10) days of demand by the City for the full amount required for the Performance Guarantee.

The letter of credit or surety must be in a form acceptable to the City, and, if a letter of credit, drawn on a bank or financial institution acceptable to City, and must remain in effect throughout the term of the Concession Agreement 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, Operator must provide a replacement letter of credit to City at least thirty (30) days before its expiration date.

5.2 PERIODIC PERFORMANCE GUARANTEE ADJUSTMENT.

As the fees and charges adjust during the term of this Concession Agreement, City shall periodically adjust the adequacy of the Performance Guarantee, and may, by written notice to 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 months' total estimated Concession Fees due and payable by Operator under this Concession Agreement. 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 supplemental letter of credit and/or surety bond or other instrument in accordance with this Article.

5.3 PERFORMANCE GUARANTEE APPLICATION.

City shall have the right, but not the obligation, to apply all or any part of the Performance Guarantee to cure any default of Operator under this Concession Agreement, including nonpayment of Concession Fees, or any other amounts due from Operator under this Concession Agreement. In such event, 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.

5.4 PERFORMANCE BOND RETURN.

The City shall return the Performance Bond to Operator, less any amounts applied by City to Operator obligations, within one hundred twenty (120) days after the termination of this Concession Agreement and City's review and approval of the final Annual Audit Statement.

END OF ARTICLE

ARTICLE 6 PRIVILEGES, OBLIGATIONS, AND OPERATIONAL STANDARDS

6.1 MINIMUM REQUIREMENTS.

Operator shall operate a Rental Car concession at the CONRAC and, at a minimum, provide the following services for its customers:

(a) Brand/Family is a recognized national car rental company operating at 15 or more airports;

(b) Brand/Family advertises Rental Car services nationally and has a toll free reservations number and/or internet website with a national reservation system and a credit card payment system;

(c) Brand/Family has a sufficient fleet of Motor Vehicles to provide timely and efficient Rental Car service at the Airports. All Motor Vehicles used to provide this service will be current models or models of the immediately preceding two years; and

(d) Operator is authorized, and licensed to do business in Texas, or agrees to obtain such authorization and license prior to execution of Concession Agreement and Lease Agreement to operate at the CONRAC.

6.2 NON-EXCLUSIVE RIGHT.

Operator agrees and fully understands that the right herein granted is not an exclusive right and that the City may and shall grant other similar rights to any other individuals, companies, corporations or entities engaging in like activity at the Airport.

6.3 FAMILIES AND BRANDS.

No more than thirteen (13) Brands shall be allowed to operate from the CONRAC at any given time during the Term of the Lease Agreement and this Concession Agreement and any extension thereof. As of DBO, the Brands listed in the table below are authorized to operate from the CONRAC, and no others under this Concession Agreement as identified by Operator's response to City's 2014 RFI and as subsequently selected by City for tenancy in the CONRAC via that RFI process:

OPERATOR/FAMILY	BRAND
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 Concession Agreement is prohibited.

6.4 USE OF BRAND OR TRADE NAME UNDER A LICENSE OR FRANCHISE AGREEMENT.

If Operator uses or operates under any particular brand or trade name under a license or franchise agreement, Operator represents and warrants to City that Operator has been granted the right to use any such brand or trade name that may be used for the entire Term, pursuant to a franchise or license agreement (the **"Franchise Agreement"**) with the brand or trade name owner (a **"Franchisor"**). At City's request, Operator agrees to provide City with a copy of any such Franchise Agreement and reasonable evidence that such agreement remains in full force and effect. Operator agrees that if Operator continues to operate after the termination of Operator's right either to use Operator's brand or trade name or to conduct a Rental Car concession of the type then conducted by or under license from the Franchisor of such brand or trade name, such continued operation shall constitute a material breach of Operator's obligations under this Concession Agreement.

6.5 QUALITY OF SERVICE.

Operator shall provide the highest degree and standards of quality of services to the patrons of

the Airports. Operator shall furnish prompt, efficient, first-class rental car service that is adequate to meet all reasonable demands for its rental car service by Airport Customers and shall conduct its Rental Car concession in a first class manner. The Operator agrees to furnish and maintain a standard of service and quality comparable to that of similar high-quality facilities in the San Antonio area, while at the same time striving to maximize revenues.

6.6 PROMOTION OF ON-AIRPORT RENTAL CAR BUSINESS.
Operator shall take all reasonable measures in a proper and ethical manner to maintain, develop and increase the business conducted by it hereunder, and shall not divert or cause to be diverted any car rental business from the Airport. Operator shall not permit its agents, servants or employees to engage in solicitation of services offered by Operator on or about the Airport nor shall Operator engage in open or public disputes or conflicts tending to be incompatible with the best interests of the public at the Airport. The City shall be the sole judge as to whether the conduct of Operator's representatives in the solicitation of business constitutes a violation of this paragraph. The City shall have the right to resolve all such disputes or conflicts, and its determination thereof concerning the manner in which Operator shall thereafter operate shall be binding upon Operator.

6.7 CITY CODES AND STANDARDS.
Operator shall abide by City Codes and Standards and City's decisions and operational orders regarding operations, activities, safety and security matters and general use of the Airports.

6.8 ACCEPTABLE FORMS OF PAYMENT.
Traveler's checks and credit cards must be acceptable forms of payment for rental transactions.

6.9 SAFETY.
Operator shall perform all operations and activities authorized under this Concession Agreement in a manner that ensures the safety of people and the Airports, the protection of public health and the environment, and the safety and integrity of the Airports. Operator shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. Operator shall immediately notify the City of any condition, problem, malfunction or other occurrence that Operator reasonably knows to be an imminent threat to the safety of people or the Airports, harm to public health or the environment, or the safety or integrity of the Airports.

6.10 PROHIBITION ON DIVERSION OF AIRPORT CUSTOMERS.
Operator shall not engage in activities that will divert Airport Customers from Operator's Rental Car concession for any purpose whatsoever, including the writing of sales agreements for an Airport Customer at any of Operator's other rental car operations not located on the Airport. If City believes, in its opinion, that Operator is engaging in such a diversion of activity, it reserves the right to inspect any relevant Operator records, including records from operations other than Operator's Rental Car concession.

6.11 PROMPT SERVICE.
Service must be provided promptly and efficiently and on a fair, equal and non-discriminatory basis to all patrons of the Airports.

6.12 CUSTOMER COMPLAINTS.

If City receives and forwards to Operator any complaint concerning Operator's operation of its Rental Car concession, Operator shall promptly respond to complainant in writing, with a copy to City, within five business days of its receipt and shall make a good faith attempt to resolve the cause of such complaint.

6.13 CUSTOMER CAR RENTAL AGREEMENTS FORMS.

An Operator shall use and maintain numbered customer car rental agreement forms for all Airport Transactions. Operator shall institute and maintain reasonably prudent procedures for safeguarding, voiding, and general handling of such agreement forms. A current copy of the Operator's customer car rental agreement form shall be delivered to the Aviation Director with the first monthly revenue report and updated as the agreement form is altered.

6.14 SUFFICIENT TRAINED PERSONNEL.

Operator shall employ a sufficient number of trained personnel to handle customer service, vehicle maintenance, car handling, and office and administration duties necessary for the efficient and effective operation of Operator's Rental Car concession. Operator shall train all of its employees in the proper operation of its business and compliance with Legal Requirements, City Standards, the provisions of this Concession Agreement, and the provision of good service to customers. Operator shall ensure that all employees, Operators and agents conduct themselves in a professional and courteous manner at all times.

6.15 PERSONNEL APPEARANCE.

When on duty, all of Operator's employees who deal with Airport Customers shall maintain a clean, neat and well-groomed appearance and shall wear a uniform or professional dress and identification badge or pin, and Airport badge if required, or appropriate attire as established by Operator with Operator's logo conspicuously displayed. Operator's employees may not traffic in, use or possess at the Airport alcohol, illegal drugs, controlled substances, or firearms. Operator shall closely monitor its employees to insure consistent, high quality first-class service. The Aviation Director reserves the right to direct the removal from the Airport of any employee or Operator representative who fails to consistently meet acceptable standards of decorum or who violates the provisions of this Concession Agreement.

6.16 CONCESSION MANAGEMENT.

The operation of Operator's Rental Car concession shall be supervised at all times by an active, qualified, competent manager on duty or a qualified assistant manager on duty, who shall have full authority to make day-to-day business and operational decisions.

6.17 PERSONNEL CONDUCT.

Operator shall not permit its agents or employees to use pressure sales tactics or to personally solicit customers of the Airport for vehicle rentals or related services offered by Operator under this Concession Agreement. City shall be the sole judge of whether conduct amounts to a violation of this section. Upon written notice from City, Operator shall take all necessary steps to immediately eliminate conduct in violation of this section and to prevent its recurrence. All employees and Operator representatives must conduct themselves at all times in a courteous manner toward the public and in accordance with Airport rules, regulations and policies.

6.18 OPERATOR'S DECISION-MAKING REPRESENTATIVES.

Operator shall provide City a current list of Operator's decision-making representatives and their telephone numbers and e-mail addresses and direction as to how those representatives may be reached on a 24-hour basis for emergency purposes.

6.19 HOURS OF OPERATION.

Unless otherwise approved by City, Operator's Rental Car concession shall remain open and staffed seven (7) days a week, at least one hour prior to and subsequent to any scheduled airline departure or arrival, including all holidays, with the exception of temporary closure during such periods as may be reasonably necessary for repair or redecorating, or for reasons beyond Operator's control; provided, however, Operator shall extend the closing time of its Rental Car concession operations to accommodate air traffic delays and schedule changes. Operator shall provide a drop-off point at the CONRAC for before- and after-hours Rental Car customers. It is expressly understood that the hours of operations required by the City may be up to twenty-four (24) hours per day and any change in the hours of service required by the City hereunder shall be delivered to Operator in writing at least five (5) days prior to the effective date therof.

6.20 RENTAL VEHICLES.

Operator will provide the public an adequate supply and variety of late model and low mileage Motor Vehicles which shall be maintained by Operator in first class operating and mechanical condition and repair; and in clean and attractive condition. Operator agrees that it will at no time use Motor Vehicles whose year model is more than (2) years older than the current model. The City reserves the right to disapprove of any Motor Vehicle supplied by Operator for public use which is more than two (2) years older than the current year model. Notice of such disapproval shall be submitted to Operator by the Director in writing with the reasons therefor and Operator shall take immediate action to withdraw such unsatisfactory Motor Vehicle from service. Operator shall use it best efforts to have available a sufficient number of vehicles to meet all reasonably foreseeable demands of the traveling public. Operator shall operate all of its vehicles in a safe manner and in accordance with all applicable Legal Requirements and City Standards and shall ensure that its employees, agents, and representatives strictly observe all posted speed limits and other traffic and safety signs.

6.21 CONRAC RENTAL CAR OPERATIONS.

All rental car Transactions and operations at the Airport must be conducted within the CONRAC except for fixed base operators, and other similar locations on the Airport. From the DBO, all rental car operators are prohibited from using the terminal building curbside areas for passenger pickup or drop-off.

6.22 AIRPORT SECURITY.

Employees, agents and representatives of Operator and its respective vendors and subcontractors shall comply with the Airport Rules and Regulations and the Airport Security Plan to the extent applicable and all other applicable airport security regulations as adopted or required by the TSA or other Authorities from time to time. If a breach of the Airport Security Plan or such other airport security regulations occurs as a result of the acts or omissions of an employee, agent, representative, Operator or subcontractor of Operator in any manner or form at any time during the Concession Term, Operator immediately shall remedy such breach or assist City, the TSA or

other Authorities in remedying such breach, regardless of the circumstances. City reserves the right to take whatever action City determines to be necessary to remedy any such breach in the event Operator fails immediately to do so. Operator shall maintain the integrity of the controlled access security system of the Airport for the Concession Term. Operator also shall take such steps as may be necessary or directed by City to ensure that its subtenants, invitees and guests observe the requirements of this section.

Persons employed at the Airport are subject to criminal history background checks, and failure to pass the background checks will disqualify a person from employment at the Airport. Operator shall cooperate, and cause its existing and prospective employees, agents, representatives, and subcontractors to cooperate with City in conducting such background checks in accordance with Applicable Law.

6.23 OPERATOR RESPONSIBLE.

Operator shall obtain all licenses/permissions necessary for, and pay all costs and expenses incurred with respect to, the operation of the Rental Car concession, it being understood and agreed that City shall not, except as specifically set forth in this Concession Agreement, be required to furnish services of any nature with respect to the operation of the Rental Car concession, and Operator hereby assumes full and sole responsibility for the supply and payment for all licenses, services and operational costs. This includes, without limitation, all taxes, permit fees, license fees and assessments lawfully levied or assessed upon Operator.

END OF ARTICLE

ARTICLE 7 ASSIGNMENT

7.1 ASSIGNMENT.

Operator shall not transfer or assign this Concession Agreement, 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 City Council. Notwithstanding the foregoing, Operator may assign this Concession 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 or its parent company, 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 Concession 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 Concession 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.

7.2 FORM OF ASSIGNMENT.

Each transfer, assignment or subletting to which there has been consent shall be by instrument in writing, in form satisfactory to City and shall be executed by the transferee, assignee or sublessee who shall agree in writing for the benefit of City to be bound by and to perform the terms, covenants, and conditions of this Concession Agreement. Four executed copies of such written instrument shall be delivered to the Director. Failure to first obtain in writing City's consent or failure to comply with the provisions herein contained shall operate to prevent any such transfer, assignment or subletting from becoming effective.

7.3 CONTINUING LIABILITY.

Should the assignment of this Concession Agreement be approved by City, Operator agrees and acknowledges that it shall remain fully and primarily liable under this Concession Agreement.

7.4 SUBLET.

This Concession Agreement does not convey Operator the right to use or occupancy of space in the CONRAC; rather, the Lease Agreement conveys to Operator the right to use and occupy the Leased Premises in the CONRAC. Any request to sublease a portion of the Leased Premises in the CONRAC must be made in accordance with **Section 26.2 - Sublet** of the Lease Agreement.

7.5 CONRAC LEASE REQUIRED

Notwithstanding any other terms or provisions of this **Article 7**, no proposed subtenant, assignee or other transferee of Operator shall be permitted to succeed to Operator's rights hereunder or to use or occupy any portion of the CONRAC under a sublease unless such proposed subtenant, assignee or transferee executes and delivers to City a Lease Agreement for space within the CONRAC and executes and delivers the Operator's Member Agreement. Without limitation of the foregoing, each subtenant of all or any portion of the CONRAC or an assignee or other transferee of Operator hereunder must agree to collect the Customer Facility Charge in

accordance with the Lease Agreement and the Operators Member Agreement.

7.6 ASSIGNEE OR SUBTENANT PAYMENTS.

The receipt by City of payments from an assignee, or subtenant shall not be deemed a waiver of the covenant in this Concession Agreement against assignment and subletting nor an acceptance of the assignee, subtenant or occupant as a tenant, nor a release of Operator from further observance or performance by Operator of the covenants contained in this Concession Agreement. No provision of this Concession Agreement shall be deemed to have been waived by City unless such waiver is in writing, signed by the Aviation Director.

7.7 NO ASSIGNMENT AFTER DEFAULT.

In no case may the activities, uses, privileges and obligations authorized herein be assigned, for any period or periods after a default of any of the terms, covenants, and conditions herein contained to be performed, kept and observed by the Operator.

END OF ARTICLE

ARTICLE 8 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 CONCESSION AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF OPERATOR, 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 CONCESSION 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 CONCESSION 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 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 AGREEEMENT 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.

END OF ARTICLE

ARTICLE 9 INSURANCE.

9.1 INSURANCE CERTIFICATES.

Prior to DBO, 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 "*Airport Rental Car Concession 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, directly from the insurer's authorized representative to the City. The City shall have no duty 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.

9.2 MODIFY INSURANCE COVERAGES.

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 reasonably modify insurance coverages and their limits when deemed 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 30 days advance notice of any change in requirements and Operator has 30 days from time of notification to modify Operator's insurance coverage.

9.3 INSURANCE REQUIREMENTS.

An Operator's financial integrity is of interest to the City; therefore, subject to Operator's right to maintain deductibles or SIR (self insured retentions) in accordance with the requirements set forth in **Exhibit 4**, 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:

TYPE	AMOUNTS
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 Operators c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you	For Bodily Injury and Property Damage of $2,000,000 per occurrence; $5,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $5,000,000 per occurrence. Operator may self-insure all or part of this coverage in compliance with **Exhibit 4**.
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	Coverage for replacement value with a minimum co-insurance factor of one hundred percent (100%) 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 Alterations.
7.Operator's Pollution Liability (Claims made basis)	$5,000,000 per occurrence; $10,000,000 general aggregate.

9.4 INSURANCE DOCUMENTS COPIES.
The City shall be entitled, upon request and without expense, to receive copies of all endorsements to certificates of insurance. Operator shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days.

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

9.5 INSURANCE POLICY PROVISIONS.
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;

- 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.

- Provide 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.

9.6 REPLACEMENT CERTIFICATE.
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.

9.7 CITY REMEDIES.
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.

9.8 NO LIABILITY LIMITATION.
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 subcontractor' performance of the work covered under this Agreement.

9.9 OPERATOR'S INSURANCE PRIMARY.
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.

9.10 INSURANCE SEPARATE FROM OTHER OBLIGATIONS.
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.

9.11 DAMAGE TO OPERATOR'S EQUIPMENT AND PROPERTY.
Operator and any Subcontractors are responsible for all damage to their own equipment and/or property.

9.12 OPERATOR'S PREMIUMS.
The Operator shall pay all premiums, deductibles and self-insured retention's, if any, stated in policies.

9.13 CLAIMS AGAINST OPERATOR.
If a claim, demand, suit, or other action is made or brought by any person against Operator arising out of or concerning this Concession Agreement, or the Rental Car concession, Operator shall give written notice thereof, to City within ten (10) business days after being notified of such claim, demand, suit, or action. Such notice shall enclose a true copy of all written claims. If the claim is not written, or the information is not discernible from the written claim, Operator shall state the date of notification of any such claim, demand, suit, or other action, the names and addresses of the person asserting such claim or that instituted or threatened to institute any type of action or proceeding, the basis of such claim, action, or proceeding, and the name of any person against whom such claim is being made. The notice shall be given to the Aviation Director as provided herein.

END OF ARTICLE

ARTICLE 10 AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISES

10.1 ACDBE REGULATIONS.

This Concession Agreement and Lease Agreement are subject to the requirements of the United States Department of Transportation's regulations, 49 C.F.R. Part 23 (the **"ACDBE Regulations"**). Operator agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, subcontract, purchase or lease agreement, or other agreement covered by 49 C.F.R. Part 23. In accordance with the ACDBE Regulations, the Airport has adopted an Airport Concessions Disadvantaged Business Enterprise (**"ACDBE"**) Program in accordance with the policy set forth in **Section 10.2** below. Operator shall comply with the Airport's approved Airport Concessions Disadvantaged Business Enterprise (ACDBE) program, in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Office of the Secretary, Part 23, Participation by Minority Business Enterprise programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said ACDBE Regulations may be amended.

10.2 AIRPORT ACDBE POLICY.

1. To ensure nondiscrimination in the award and administration of opportunities for concessions at the Airport;

2. To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions at the Airport;

3. To ensure that the Airport's ACDBE Program is narrowly tailored in accordance with the ACDBE Regulations and other Applicable Law;

4. To ensure that only firms that fully meet the eligibility requirements of the Regulations are permitted to participate as ACDBEs at the Airport;

5. To help remove barriers to the participation of ACDBEs in opportunities for concessions at the Airport; and

6. To provide appropriate flexibility to the Airport in establishing and providing opportunities for ACDBEs at the Airport.

10.3 ACDBE DEFINITION."AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE" ("ACDBE").

ACDBE means a business, whether it is a corporation, sole proprietorship, partnership or joint venture, certified as an ACDBE by a Unified Certification Agency (UC), of which at least fifty-one percent (51%) of the interest is owned and controlled by one or more socially and economically disadvantaged individuals as defined in the Airport and Airways Safety and Capacity Expansion Act of 1987 and the ACDBE Regulations promulgated in 49 C.F.R. Part 23. Under the applicable regulations, it is presumed that a firm that is certified as a Disadvantaged

Business Enterprise (**"DBE"**) under 49 C.F.R. Part 26 is eligible to participate as an ACDBE. By meeting the size, disadvantage (including personal net worth), ownership and control standards of 49 C.F.R. Part 26, such DBE firm will have also met the eligibility standards for 49 C.F.R. Part 23. Accordingly, ACDBE includes DBE for purposes of the ACDBE goals set forth in this Concession Agreement and the Lease Agreement.

10.4 ACDBE GOAL.

At this time, the Airport has not established an ACDBE/DBE goal for this Concession Agreement and the Lease Agreement, and, as provided herein, has elected to implement an ACDBE program that includes a reporting requirement imposed on Operator and Operator further agrees to comply with a national ACDBE goal if any is ~~set~~ established pursuant to ACDBE Regulations during the Term or with a goal established by the Airport during the Term. Accordingly, Operator agrees, with respect to its exercise of all uses, rights, privileges and obligations granted or required pursuant to this Concession Agreement as follows:

1. Operator acknowledges that the Airport has not yet set an ACDBE goal for this Agreement, but Operator is encouraged to seek ACDBE participants for opportunities available in conjunction with the performance of this Concession Agreement and the Lease Agreement (i.e. the purchase of goods and/or services). Accordingly, Operator shall identify to SAT participants in the business opportunities covered by this contract who may be eligible for certification as an ACDBE.

2. Operator acknowledges and agrees that Airport expressly reserves the right to establish or modify a goal for this Concession Agreement and the Lease Agreement pursuant to the ACDBE Regulations. Upon FAA approval of the ACDBE goal, the Airport will provide sixty (60) days prior written notice to Operator, and thereupon, Operator shall use good faith efforts to meet such goal.

Operator shall comply at all times during the Term of this Concession Agreement and the Lease Agreement with the ACDBE Regulations and all other applicable federal, state and local ACDBE laws, regulations, ordinances and requirements.

At such time as an ACDBE/DBE goal is established for this Concession Agreement and the Lease Agreement, the goal shall be for the purchase of goods and services by Operator for this Concession Agreement and the Lease Agreement, and, as provided herein, and shall include (i) a reporting requirement imposed on Operator; and (ii) agreement by the Operator to comply with a national ACDBE goal pursuant to ACDBE Regulations during the Term, if any, or with a goal established by the Airport during the Term. The ACDBE goal structure is solely based upon Operator's purchases of goods and services, including purchases through second tier subcontractors and vendors, and including Operator's Pro Rata Share of goods and services purchased through the CONRAC Manager for purposes of CONRAC operations, in the performance of its operations under this Concession Agreement and the Lease Agreement. For calculating the Operator's ACDBE goal attainment, Operator shall calculate its car rental overall goal attainment by dividing the estimated dollar value of such purchases from ACDBE's by the total estimated dollar value of all purchases to be made by the Operator, excluding vehicle purchases. Examples of goods and services for the Operator's car rental operations include, but

are not limited to: vehicle repairs and maintenance, vehicle body work, janitorial services, landscaping, vehicle key replacements and re-keying, vehicle oil changes, vehicle windshield repairs and replacements, and insurance brokerages. Operator shall at all times during the Term of this Concession Agreement and the Lease Agreement comply with the ACDBE Regulations and all other applicable federal, state and local ACDBE laws, regulations, ordinances and requirements.

10.5 ACDBE REPORTING REQUIREMENTS.

During the term of this Concession Agreement and the Lease Agreement, Operator must report the actual payments to all subcontractors (suppliers) made by Operator for goods and services utilized for this Concession Agreement and the Lease Agreement in the time intervals and format prescribed by the City's Aviation Department. Any unjustified failure to comply with the levels of ACDBE participation established for this Concession Agreement and the Lease Agreement shall be considered a material breach of contract.

The City reserves the right, at any time during the term of this Concession Agreement and the Lease Agreement to request additional information, documentation or verification of payments made for goods and services in connection with this Concession Agreement and the Lease Agreement. Verification of amounts being reported may take the form of requesting copies of canceled checks paid to ACDBE/DBE participants and/or confirmation inquiries directly to the ACDBE/DBE participants. Proof of payments, such as copies of canceled checks, must properly identify the CONRAC Concession Agreement and/or Lease Agreement to substantiate ACDBE/DBE payments related to the Agreements.

Concessionaire shall submit such reports as may be required by the City in the form specified by City for the purpose of demonstrating compliance with the provisions set forth in this Article 10. Operator shall submit, no later than sixty (60) days after the expiration of each calendar quarter during the term of this Concession Agreement and the Lease Agreement, a report to the Airport, in a form acceptable to the Airport attached hereto as **Exhibit 5**, detailing payments made by Operator for goods and services, listing each vendor to whom payments were made for goods and services, and identifying each ACDBE/DBE vendor.

10.6 ACDBE COMPLIANCE REQUIREMENTS.

Operator will have no right to terminate an ACDBE for convenience without the Airport's prior written consent. If an ACDBE is terminated by the Operator either with the Airport's consent or because of the ACDBE's default, then the Operator must make a good faith effort, in accordance with the requirements of 49 C.F.R. Part 23.25(e)1(iii) and (iv), and 49 C.F.R. Part 26.53, to find another ACDBE to substitute for the original ACDBE to sell the same amount of goods and services under the contract as the ACDBE that was terminated. If Operator is terminating an ACDBE for default, Operator shall notify Airport of such termination, providing the reason(s) for such termination and the effective date.

Operator's breach of its obligations under this Article 10 shall constitute an event of default by Operator under **Article 11** of this Concession Agreement and/or **Article 24** of the Lease Agreement, as applicable, and shall entitle City to exercise any and all of its contractual and legal remedies, including termination of the Concession Agreement and/or Lease Agreement.

Pursuant to 49 C.F.R. 26.107, any person or entity that makes a false or fraudulent statement in connection with participation of a ACDBE/DBE in any DOT-assisted program or otherwise violates applicable federal statutes, may be referred to the Department of Transportation, and possibly the Department of Justice, for prosecution.

END OF ARTICLE

ARTICLE 11 DEFAULT

11.1 OPERATOR 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) The failure by Operator to enter into a valid and binding Lease Agreement for space within the CONRAC.

(b) Operator shall fail to pay Concession Fees or other payment obligation as provided for in this Concession Agreement and such failure shall continue for a period of ten (10) days after receipt by Operator of written notice thereof.

(c) Operator shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants contained in this Concession Agreement, the Lease 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) Operator shall become a corporation in dissolution or voluntarily or involuntarily forfeit its corporate charter.

(i) 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 (e) through (g) of this Section 11.1.

(j) Operator shall voluntarily discontinue its Rental Car operations at the Airport for a period of sixty (60) consecutive days.

(k) Operator shall vacate or abandon the CONRAC for a period of forty-eight (48) consecutive hours.

(l) The occurrence of an "Event of Default" under the Operator's Lease Agreement or the CONRAC Management Contract.

(m) Operator shall fail to submit its Annual Audit Statement within twenty (120) days after the end of the Concession Year.

(n) The failure by Operator to abide by all applicable laws, ordinances, rules, and regulations of the United States, State of Texas, or the City of San Antonio, and if such failure should continue for a period of thirty (30) days after receipt by Operator of written notice of such failure.

(o) Operator, any successor, grantee, or assignee shall provide to City any materially false financial or background statement.

Notice of an Event of Default under this Section 11.1 shall be sent, in addition to the defaulting Operator, to the CONRAC Manager as defined in the Lease Agreement, 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 11.1.

11.2 REMEDIES.

11.2.1 Concession Agreement Termination

If any Event of 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 sole election, to terminate this Concession Agreement.

11.2.2 Operator Retains Liability.

In addition to any damages incurred by City by reason of termination of this Concession Agreement, Operator's liability for all Concession Fees and all other amounts otherwise payable by Operator hereunder up to the date of such termination, will not be extinguished and Operator agrees that City will be entitled, upon termination for default, to collect as damages an amount equal to the Concession Fees and all other amounts that are payable hereunder up to the date of such termination.

11.2.3 Remedies Cumulative.

All rights, options and remedies of the City contained in this Concession 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 Concession Agreement.

11.3 CITY DEFAULT.

11.3.1 Conditions of Default.

The following contingencies shall be a condition of default by City:

(a) The permanent abandonment of the Airport.

(b) The issuance by any court of competent jurisdiction of any injunction preventing or restraining the use of the Airport in such a manner as to substantially restrict the Operator from conducting its Rental Car concession and the remaining in force of such injunction for at least sixty (60) days.

(c) The breach by the City of any of the terms, covenants, or conditions of this Concession Agreement to be kept, performed, and observed by the City, and the failure of the City to remedy such breach for a period of sixty (60) days after written notice from the Operator of the existence of such breach has been received by City, or, if more than sixty (60) days shall be required because of the nature of such breach, if City shall fail within the said sixty (60) day period to commence and thereafter diligently proceed to cure such default.

(d) The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport and its facilities in such a manner as to substantially restrict the Operator from conducting its Rental Car concession if such restriction continues for a period of three (3) months or more.

11.3.2 Operator Remedies.

In the event any condition of default by City shall occur (notwithstanding any waiver, license, or indulgence granted by Operator) with respect to any condition of default in any form or instance. Operator may seek any and all available remedies at law or in equity, whether or not herein stated, including, but not limited to the right to terminate this Concession Agreement.

END OF ARTICLE

ARTICLE 12 HOLDING OVER

It is agreed and understood that any holding over of Operator after the termination of this Agreement shall not renew and extend same but shall operate from month to month. During any period of holding over, Operator shall pay to the City fees and charges described in **Article 4** hereof. Operator shall be liable to the City for all loss or damage on account of any holding over against the City's will after the termination of this Agreement, whether such loss or damage may be contemplated at this time.

END OF ARTICLE

ARTICLE 13 NONDISCRIMINATION

13.1 NONDISCRIMINATION.

Operator shall not discriminate by segregation or otherwise against any person, employee or applicant for employment because of that person's membership in any legally protected class, including, but not limited to, their race, color, gender, religion, creed, national origin, ancestry, age being greater than forty years, sexual orientation, disability, genetic information, or veteran status. Operator shall not discriminate against any person, employee, or applicant for employment who is a member of, or applies to perform service in, or has an obligation to perform service in, a uniformed military service of the United States, including the National Guard, on the basis of that membership, application, or obligation. Operator shall not discriminate as aforesaid in the hiring or discharging of employees, providing or using of services and activities conducted on the Premises, and the selection of suppliers and contractors.

The Operator shall furnish its accommodations and/or services on a fair, equal, and nondiscriminatory basis to all qualified users thereof, and it shall charge fair, reasonable and nondiscriminatory prices; however, the Operator may be allowed to make reasonable discounts or other similar type of price reductions to purchasers on a non-discriminatory basis.

Noncompliance shall constitute a material breach hereof, and in the event of such noncompliance, within a reasonable period, the City shall have the right to terminate this Agreement.

13.2 NONDISCRIMINATION 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.

13.3 AFFIRMATIVE ACTION PROGRAM.

With respect to Operator's exercise of all uses, rights and privileges herein granted, Operator hereby agrees to undertake equal opportunity and affirmative action as required by the City and by all federal and state laws, rules and regulations pertaining to Civil Rights and Equal Opportunity, including but not limited to Title 49, Subtitle A, Part 21; 49 C.F.R. Part 23; 14 C.F.R. Part 152, Subpart E; Executive Orders 11246 and 11478; and Section 504 of the Rehabilitation Act of 1973, to the extent applicable, and as such laws, rules, regulations and orders may be amended. Operator agrees that Operator shall comply with any affirmative action plans submitted pursuant to the directives of any federal agency and in accordance with federal law.

13.4 OPERATOR BOUND.
Operator agrees to bind contractually all its sub-organizations and Sub-Operators to all the foregoing terms and conditions.

13.5 EXCLUSIVE RIGHTS
Federal Aviation Act, Section 308 – Nothing herein contained shall be deemed to grant the Operator any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act or the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, the Operator shall have the right to possess the Assigned Area under the provisions of this Agreement.

END OF ARTICLE

ARTICLE 14 GENERAL PROVISIONS

14.1 AMENDMENT.

This Concession Agreement, together with the authorizing ordinance, constitutes the entire agreement between the parties. No amendment, modification, or alteration of the terms of this Concession Agreement shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto. The Aviation Director is authorized to execute amendments which do not substantially alter the material terms of this Concession Agreement.

14.2 APPLICABLE LAW; VENUE; WAIVER OF TRIAL BY JURY.

This Concession 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 Concession Agreement shall be exclusively in Bexar County, Texas, and the Parties waive any right to assert a claim of inconvenient forum.

14.3 APPROVALS BY CITY.

Whenever this Concession Agreement calls for approval by the City, such approval shall be evidenced by the written approval, as applicable, of the Aviation Director or the City Manager of the City of San Antonio or the City Manager's designee, and such approval shall not be unreasonably withheld.

14.4 ATTORNEY'S FEES.

The Parties expressly agree that neither Party shall be responsible for payment of attorney's fees pursuant to Texas Civil Practice and Remedies Code Chapter 38, Texas Local Government Code §271.153, common law or any other provision for payment of attorney's fees. Both Parties expressly waive any claim to attorney's fees should litigation result from any dispute in this Concession Agreement.

14.5 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 Concession Agreement, and no approvals or consents of any persons are necessary in connection with it. The execution, delivery, and performance of this Concession Agreement by the undersigned Operator representatives have been duly authorized by all necessary corporate action of Operator, and this Concession Agreement constitutes a legal, valid, and binding obligation of Operator, enforceable in accordance with its terms.

14.6 CAPTIONS AND ARTICLE NUMBERS.

The captions, Article and section numbers, and table of contents appearing in this Concession 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 Concession Agreement or in any way affect this Concession Agreement.

14.7 COMPLIANCE WITH LAWS.

In addition to, and not in lieu of, any more specific directive in this Concession Agreement, Operator shall comply with all Applicable Laws, promulgated by any Authority 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.

14.8 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 is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

14.9 ELECTRONIC FUNDS TRANSFER; AUTOMATIC DEBIT.

The Operator may remit any amounts to be remitted or otherwise payable under this Concession 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 Concession Agreement shall be electronically debited and/or electronically fund transferred monthly or from time to time, as provided in this Concession 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 Concession Agreement.

14.10 ENTIRE AGREEMENT; MODIFICATION.

This Concession Agreement, together with the Lease Agreement, sets forth all covenants, promises, agreements, conditions and understandings between the City and Operator concerning the concession privilege grant herein, 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 Concession Agreement shall be binding upon the City or Operator unless reduced to writing and signed by

the City and Operator. If Operator and City are parties to the Prior Concession Agreement, said agreement shall terminate as set forth in **Section 3.3**.

14.11 FORCE MAJEURE.
Neither the City nor the Operator shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargos, shortage of material, act of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. In the event that the airport is closed for commercial aircraft operations for a period of ten (10) consecutive days or longer, Operator may terminate this Concession Agreement by giving written notice to the City of Operator's election to terminate. Upon such election, all financial obligations of Operator under this contract shall be determined as of the date the airport ceased to operate.

14.12 INCORPORATION OF EXHIBITS.
All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement.

14.13 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.

14.14 WAGES.
Operator shall pay wages that are not less than the minimum wages required by Federal and State statutes and City ordinances, to persons employed in its operations hereunder.

14.15 NET AGREEMENT.
It is the intent and purpose of the City and Operator that all Concession Fees payable by Operator herein shall be absolutely net to the City so that this Concession Agreement shall yield to City the entire amount of the Concession Fees described in **Article 4** hereof, in each year of this Concession 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, without abatement, deduction or set-off by Operator.

14.16 NONWAIVER OF RIGHTS
No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operated as a waiver of any subsequent default or any terms, covenants, or conditions herein contained, to be performed, kept, and observed by the other party.

14.17 METHOD FOR NOTICE.
All notices required under this Concession 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,

14.18 ADDRESS FOR NOTICE.
All notices required under this Concession 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 Concession Agreement to the Operator shall be addressed as follows:

_____
_____
_____
_____
Telephone: (___) _____
Telecopier: (___) _____

With a copy to:
__(operator add 2nd address)__
_____
_____

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.

14.19 ONGOING IMPROVEMENTS.
It is understood and agreed that the City may from time to time elect to alter, improve or remodel portions of the Airports and further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of the Operator and without

interference or hindrance. City shall endeavor to give Operator as much notice as possible of any planned capital improvements. 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 Rental Car concession.

14.20 OPEN RECORDS NOTICE

City is subject to the Texas Public Information Act; and any records submitted by Operator to City may be subject to disclosure upon a request from the public. In the interest of assisting Operator to timely assert any exemptions from disclosure that may be available to Operator, City will notify Operator as soon as practicably possible of any request for information in accordance with the Texas Public Information Act.

14.21 PARKING CITATIONS.

Operator shall pay any and all parking citations related to its rental car fleet or operations at least on a quarterly basis. However, any outstanding parking citations related to the car fleet of operations shall be paid within 10 days of notice by the City of such outstanding citations.

14.22 PAYMENT OF TAXES AND FEES.

Operator shall pay, on or before their respective due dates, to the appropriate collecting authority, all federal, state, and local taxes which are now or may hereafter be levied upon the premises, or upon Operator, or upon the business conducted on the premises, or upon Operator's property used in connection therewith, provided, however, that the Operator may at its sole expense dispute and contest same and in such case such disputed item need not be paid until finally adjudged to be valid. Operator shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Operator.

14.23 RESPONSIBILITY FOR PAYMENTS.

Operator agrees that it shall remain responsible to the City for all payments and other charges pursuant to the Concession 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.

14.24 RELATIONSHIP OF PARTIES.

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other such similar relationship, between the parties hereto. It is understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto creates a relationship other than the relationship of City and Operator.

14.25 FAA REQUIRED MODIFICATIONS

In the event that the Federal Aviation Administration or its successor requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Operator agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required.

14.26 SEVERABILITY.
If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby.

14.27 SUBORDINATION TO AGREEMENTS WITH THE UNITED STATES GOVERNMENT.
This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and the United State Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the City for airport purposes, or the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. The City covenants that it has no existing agreements with the United States Government in conflict with the express provisions hereof.

14.28 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.

14.29 SUCCESSORS AND ASSIGNS BOUND.
This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.

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

14.31 TABLE OF CONTENTS AND HEADINGS.
The table of contents, titles and headings of the Articles and sections of this Concession 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.

14.32 TIME OF ESSENCE.
Time is of the essence of this Agreement.

14.33 UPDATE OF TERMS.
The City shall, without the necessity of an amendment to this Concession Agreement, have the right to periodically update those requirements set forth in **Exhibits 1, 3-A, 3-B, 4, and 5** and the table in **Section 6.3** to reflect changes in practices for similar properties or operations either at the Airport or at other Airports nationwide.

14.34 WAIVER OF CLAIMS.
The Operator hereby waives any claim against the City and the State of Texas and its officers, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part thereof, or by any judgment or award in any suit proceeding declaring this Agreement null, void or voidable, or delaying the same or any part hereof, from being carried out.

14.35 INTERPRETATIONS.
All terms defined in this Concession Agreement and all pronouns used in this Concession Agreement shall, unless the context clearly requires otherwise, be deemed to apply equally to the singular and plural forms and to all genders. Except as otherwise expressly provided or unless the context otherwise requires, (a) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as of the time applicable to the City, (b) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Concession Agreement as a whole and not to any particular article, section or other subdivision, and (c) the word "including" shall mean "including without limitation". The table of contents, titles and headings of the articles and sections of this Concession 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. This Concession Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

14.36 MOST FAVORED NATIONS.
In the event that any Concession 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 then this Concession 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.

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The parties hereto acknowledge that they thoroughly read this Concession Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel necessary for them for a full and complete understanding of all rights and obligations herein; and, having so done, do hereby execute this Concession Agreement on the day and year first above mentioned.

_____

By: _____

Printed Name:_____

Position:_____

Address:

_____

_____

_____

_____
Federal Tax Identification Number

CITY OF SAN ANTONIO

By: _____
City Manager

Attest:_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

EXHIBIT 1

ZIP Codes For Bexar County and Adjacent Counties

78002	78124	78223	78261
78003	78130	78224	78262
78004	78131	78225	78263
78006	78132	78226	78264
78008	78133	78227	78265
78009	78135	78228	78268
78011	78143	78229	78269
78012	78147	78230	78270
78013	78148	78231	78275
78015	78150	78232	78278
78016	78152	78233	78279
78023	78154	78234	78280
78026	78155	78235	78283
78027	78156	78236	78284
78039	78160	78237	78285
78050	78163	78238	78286
78052	78201	78239	78287
78054	78202	78240	78288
78055	78203	78241	78289
78056	78204	78242	78291
78059	78205	78243	78292
78062	78206	78244	78293
78063	78207	78245	78294
78064	78208	78246	78295
78065	78209	78247	78296
78066	78210	78248	78297
78069	78211	78249	78298
78070	78212	78250	78299
78073	78213	78251	78638
78074	78214	78252	78670
78101	78215	78253	78850
78108	78216	78254	78861
78109	78217	78255	78883
78112	78218	78256	78885
78114	78219	78257	78886
78115	78220	78258	
78121	78221	78259	
78123	78222	78260	

EXHIBIT 2

Airport Customer Boundary Map

EXHIBITS 3-A and 3-B

Report Forms
(Exhibit 3-A Monthly; Exhibit 3-B Annual)

EXHIBIT 4

City of San Antonio
Self-Insurance Requirements for Vehicles Permitted for Hire

For the City of San Antonio to accept self-insurance in-lieu-of a commercially purchased insurance program, you and your company in addition to meeting the State of Texas requirements for self-insurance must also meet the City of San Antonio's self-insurance requirements.

The City is willing to accept a true self-insurance program that is funded and properly serviced. To be accepted by the City as a self-insured program, the following minimum requirements must be met:

1. All vehicles permitted for hire requesting self-insurance must meet the greater of the following required limits:

    a. $500,000 per occurrence combined single limits or $500,000 bodily injury per occurrence, $100,000 property damage per occurrence, or current State of Texas Tort claims limits for a Texas Municipality, whichever is greater.

    (or)

    b. Special insurance/limits required by specific contract.

2. Your company must provide the City of San Antonio a report of the financial condition of your company's dedicated loss fund annually. This report must include, but not be limited to the following:

    a. A CPA's audited financial statement detailing your company's dedicated loss fund equal to the amount of the self-insurance your company is carrying. Along with the CPA's statement, your company must present an actuarial statement, from a qualified actuary, verifying your company's loss fund adequacy at a minimum of a seventy-five (75%) confidence rate. The City shall be notified within thirty days if your fund falls below this level. The City will have the right to independently verify this fund and its adequacy.

EXHIBIT 5

ACDBE Reporting Form and Instructions