

AN ORDINANCE 2015-06-18-0548

AUTHORIZING A STANDARD OFF-AIRPORT RENTAL CAR PERMIT AT SAN ANTONIO INTERNATIONAL AIRPORT

* * * * *

WHEREAS, in 1998, City Council approved a standard form Off-Airport Rental Car Permit for off-Airport car rental operators to access and use the San Antonio International Airport for picking up and dropping off Airport customers; and

WHEREAS, the permit requires updating to include collection of Customer Facility Charges from Airport customers using off-Airport rental car operators, which rental car operators are currently operating without an airport concession agreement and will not be operating at the Consolidated Rental Car Facility (CONRAC); and

WHEREAS, the term of the standard Off-Airport Rental Car Permit is one year, automatically renewable for additional one-year terms, with payment of ten percent (10%) of the permittee's gross revenues; and

WHEREAS, the standard Off-Airport Rental Car Permit requires the operators to collect a Customer Facility Charge (CFC) and remit CFCs to pay bond debt service for the CONRAC and to ensure all bond requirements are met; and

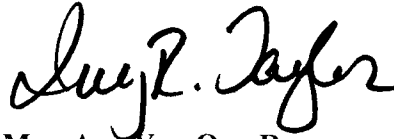
WHEREAS, Aviation staff recommends that the Aviation Director be authorized to execute standard Off-Airport Rental Car Permits with off-Airport rental car operators; **NOW THEREFORE:**

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

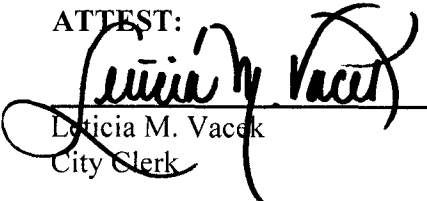
SECTION 1. The Aviation Director is hereby authorized to execute a standard Off-Airport Rental Car Permit, in a form substantially the same as the document set out in **Attachment 1**.

SECTION 2. This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

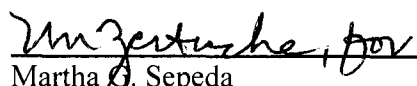
PASSED and APPROVED this 18th day of June, 2015.


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: | 25E (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 an update to the standard Off-Airport Rental Car Permit for rental car businesses not located within the Consolidated Rental Car Facility to pick up and drop off customers without a concession agreement at the San Antonio International Airport. | | | | | | |
| 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

**SAN ANTONIO INTERNATIONAL AIRPORT
OFF-AIRPORT RENTAL CAR PERMIT**

WHEREAS, the City of San Antonio, Texas (hereinafter called "City") owns and operates the San Antonio International Airport (hereinafter called the "Airport") and _____, (hereinafter called "Permittee"), a _____ corporation, acting by and through its authorized officers, wishes access to San Antonio International Airport for the pick-up and drop-off of Permittee Customers in connection with its business of renting Motor Vehicles to others; and

WHEREAS, Permittee desires the privilege of doing business on and the use of Airport property for commercial purposes, providing services and conducting business at the Airport with Permittee Customers for the transportation of said customers to and from the Airport; and

WHEREAS, Permittee does not have a lease agreement with the City for lease of specific property at the Airport, nor does Permittee have any other contract or agreement with the City covering this commercial enterprise; and

WHEREAS, applicable provisions of the code of Ordinances of the City of San Antonio provide that commercial activity or services may not be conducted on Airport premises without first entering into an agreement with the City which requirement is satisfied for the operation of an off-airport Motor Vehicle rental business by obtaining a San Antonio International Off-Airport Rental-Car Permit (hereinafter called the "Permit") and Ordinance No. _____, passed and approved on _____, authorizing the issuance of such Permit by the Aviation Director; (hereinafter called the "Director"); and

NOW THEREFORE: For and in consideration of the use of the facilities of the Airport in accordance with the Code of Ordinances of the City of San Antonio, the Rules and Regulations of the Airport, the terms and conditions herein, the mutual promises and covenants herein contained, and in further consideration of the business benefits received by Permittee from the entire Airport and other good and valuable considerations; the aforesaid Permittee is hereby granted a Permit by the City of San Antonio to conduct Permittee Customer pick-ups and drop-off services in connection with its business of renting Motor Vehicles to airport passengers/customers at the San Antonio International Airport, under the terms and conditions as specified herein;

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I. DEFINITIONS

- 1.1 Unless otherwise defined herein, all definitions set out in Code of Ordinances and Airport Rules and Regulations shall be applicable to this Permit.
- 1.1.1 “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 issued to finance the CONRAC, the ordinance or ordinances of the City authorizing the issuance of the bonds, and all other documents and agreements related to the issuance thereof
- 1.1.2 “Consolidated Rental Car Facility” or “CONRAC” means the consolidated rental car facility located at the Airport, excluding the public parking area housed therein.
- 1.1.3 “Courtesy Vehicle” is a Motor Vehicle which carries Permittee Customers to or from the Airport.
- 1.1.4 “Customer Facility Charge” or “CFC” means the customer facility charge or charges imposed by the City on Transactions occurring on or about the Airport, and required to be collected by the Permittee.
- 1.1.5 “Motor Vehicle” shall mean automobiles, vans, minibuses, and trucks only, as determined by the state of Texas for the purposes of registration of vehicles. For purposes of this Permit, “car,” “Motor Vehicle,” and “automobile” are used interchangeably.
- 1.1.6 “Permittee Customer” is any person who arrives at or departs from the Airport by aircraft and who enters into an agreement for the rental of a Motor Vehicle and passenger pick-up and delivery with Permittee no more than twenty-four (24) hours before or after such arrival or departure
- 1.1.7 “Transaction” means a distinct act of business between a Permittee and a Permittee Customer for rental of a Motor Vehicle as authorized under this Permit. Each taking of possession of a Motor Vehicle from a Permittee 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.
- 1.1.8 “Transaction Day” means, with respect to any vehicle available for rent by Permittee, each twenty-four (24) hour period (or fraction thereof) that a vehicle is rented by a Permittee Customer; provided, however, that if a Permittee’s vehicle rental contract contains a grace period for the vehicle’s return at the end of such vehicle’s rental period of no more than fifty-nine (59) minutes, during which

grace period such Permittee will not charge a customer a further vehicle rental fee or other form of late return fee, then the CFC shall not be imposed during such grace period and such grace period shall not be considered a further Transaction Day.

- 1.1.9 “Trustee” means the financial institution identified in the Bond Documents to serve as the trustee for the bonds or any series thereof

II. INFORMATION REQUIRED

- 2.1 The Director may issue a Permit only upon receipt from the business owner containing, at a minimum, but not necessarily limited to, the following information:

2.1.1 The name and address of each person, firm or corporation having an interest in the business;

2.1.2 For corporations not publicly traded, the name and address of each person having an interest in the corporation;

2.1.3 Proof of, and agreement to keep in force during the permit term, the insurance coverages and limits required under the terms of this Permit;

2.1.4 The make, model, year, seating capacity (including the driver), color, vehicle identification (serial) number and motor vehicle license number of all of Permittee’s Courtesy Vehicles to be operated on Airport property;

2.1.4.1 No Courtesy Vehicle older than sixty (60) months shall be used in the provision of transporting Permittee Customers to and from the Airport, and all Courtesy Vehicles, upon reaching this sixty (60) month limit, shall be immediately taken out of service at the Airport. No Courtesy Vehicle shall be larger than a seventeen passenger vehicle. Permittee shall at all times keep its Motor Vehicles and other equipment used with respect to operations at the Airport, in a first-class operable state of repair, including the heating and air conditioning equipment, and consistently maintain clean and neat in appearance. Motor Vehicles shall not be operated unless they are in such condition, and are free from defect or damage to interior, exterior, equipment, mechanisms or structure. Permittee shall maintain all necessary Motor Vehicles, materials and other items, including spare parts, requisite to the continued and consistent performance of its operations in accordance with its obligations and in the manner contemplated by this Permit;

2.1.4.2 In furtherance of the City’s effort to reduce harmful emissions, Permittee’s Courtesy Vehicles shall not be left idling at designated Airport passenger pick-up areas. The Director, in his sole discretion, may institute other

measures to reduce emissions due to vehicle idling. Permittee shall endeavor to reduce harmful emissions by utilizing only low emission vehicles and/or vehicles that operate on clean burning fuels (e.g., ultra low sulfur diesel, propane, natural gas), in 100% of its vehicle fleet;

2.1.4.3 The business owner agrees to provide updated information on vehicle changes within two (2) business days of the proposed change;

2.1.5 Proof of the Performance Guarantee required under the terms of this Permit;

2.1.6 The names, job titles and telephone numbers of all local management personnel who will manage the operation of or operate vehicles on Airport property;

2.1.7 Proof of the issuance and current validity of all business and Motor Vehicle permits required by local, state and federal authorities; and

2.1.8 A statement by Permittee that it has been furnished a copy of the Permit and the agreement by Permittee that if such permit is granted, Permittee shall comply with all terms and conditions therein contained.

III. AUTHORIZED ACTIVITIES

- 3.1 Permittee is hereby granted the non-exclusive right to conduct business at the Airport as an Off-Airport Rental Car Permittee and to load and unload Permittee Customers at the San Antonio International Airport in conjunction with the provision of renting Motor Vehicles and passenger pick-up and drop-off services by Permittee. In conjunction therewith, City grants to Permittee the right, in common with others, to use all appropriate roadways and such space as the City may dedicate to the provision of Permittee's Customer pick-up and delivery operations. Director may make reasonable rules as to the exact location for the loading and unloading of Permittee Customers hereunder and such other rules as shall be deemed by the Director to be necessary for the safety and convenience of the public and for the efficient and fiscally sound operation of the Airport.
- 3.2 The Director, in his sole discretion, may relocate the Permittee Customer pick-up and drop-off locations, either through written notification to Permittee or through signage indicating changed or alternate locations.
- 3.3 Notwithstanding the foregoing, this Permit shall not authorize Permittee to have an office or station on Airport property, to park cars on Airport property, or to solicit business in any manner on Airport property, all of which actions and activities are expressly prohibited.

- 3.4 Courtesy Vehicles are expressly prohibited from transporting Permittee Customers and their guests (including Permittee Customers) for any reason other than to take them to and from Permittee's facilities.

IV. PERMIT FEE

- 4.1 Permittee agrees to pay the City ten percent (10%) of the Gross Revenue, as defined herein, or such other fee as may be established by Ordinance, obtained from renting Motor Vehicles to Permittee Customers secured by Permittee through its operations at the Airport.,
- 4.2 If the concession agreement with on-airport rental car operators changes the amount of the Permit fee during the term of the Agreement, such revised fee shall become effective on October 1st of the same year so long as the City provides Permittee with at least thirty (30) days prior written notice of such Permit fee increase. For example if the City Council passes an ordinance changing the Permit fee in September, the revised fee shall become effective and be implemented on October 1st. In the event that City fails to provide Permittee with prior written notice of a Permit fee increase thirty (30) days prior to October 1st, the rate increase shall become effective on the thirty-first day after Permittee receives actual written notice of the Permit fee increase.
- 4.3 Payments by Permittee are for the privilege of operating and doing commercial business on the Airport, the privilege of using the Airport, and the business benefits derived therefrom. A Permittee Customer shall be deemed to be secured by Permittee through its operations at the Airport when the Permittee Customer is transported to or from the Airport to any facility of Permittee by a Courtesy Vehicle operated by or on behalf of Permittee or by any other means.
- 4.4 From the effective date of this Permit, if earlier than the date of beneficial occupancy ("DBO") for the CONRAC, until the first day of the month following the date of CONRAC DBO, as determined by the Aviation Director, "Gross Revenue" shall have meaning set out in **Article 4.5** below. From the first day of the month following the date of CONRAC DBO, "Gross Revenue" shall have the meaning set out in **Exhibit 1**, Revised Definition of Gross Revenues, hereto.
- 4.5 "Gross Revenue" shall mean all monies or other consideration paid or payable to the Permittee derived from, arising out of, or payable on account of the business conducted by the Permittee or from the operations of Permittee under this Agreement and in connection with the San Antonio International Airport, whether for cash or credit and without any deduction for credit card discounts, and whether the same shall be paid or unpaid; regardless of whether the Motor Vehicle or other products are returned to Airport or to some other location.
- 4.5.1 Included in, but not limited to "Gross Revenue" are any and all monies or other consideration paid or payable to the Permittee for:

- 4.5.1.1 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;
- 4.5.1.2 Fees, commissions and charges derived from the rental or sale of cellular or mobile phones, GPS, navigational aids/services, satellite radio or other services and/or amenities;
- 4.5.1.3 Sale or lease of ancillary items (child restraint devices, bikes, etc.);
- 4.5.1.4 Customer supplies;
- 4.5.1.5 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 Permittee for or in conjunction with the rental or lease of said Motor Vehicles;
- 4.5.1.6 Any fees(s) or charge(s) designed to collect from customers the rentals that Permittee must pay to City for the privilege of operating at the Airport. Should such a fee be instituted by Permittee, 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 "Permit Recovery Fee" or "Permit Recoupment Fee". All such fees assessed and collected in excess of the 11.11% limitation from Permittee's customers, the excess shall be remitted to the City or refunded to the Permittee's customers. Documented verification will be required for customer refunds;
- 4.5.1.7 All amounts charged to rental car customers for insurance offered by Permittee 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;
- 4.5.1.8 All payments received in connection with operations authorized under the Agreement, regardless of the manner in which stated and collected, must be included in Gross Revenue;
- 4.5.1.9 All fees assessed to the Permittee'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 Permittee's customer;
- 4.5.1.10 All sums received for additional driver charges;

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

4.5.1.12 The fair market value of any goods, services or other items of value, received by Permittee 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.

4.5.2 Excluded from “Gross Revenue” are:

4.5.2.1 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;

4.5.2.2 Amount of gratuities paid or given by patrons of Permittee to employees of the Permittee;

4.5.2.3 Amounts received by reason of Permittee’s disposal of capital assets and /or trade fixtures;

4.5.2.4 Receipts from the sales at cost of uniform or clothing to the Permittee’s employees where such uniforms are required to be worn by such employees;

4.5.2.5 Customer Facility Charges collected from customers and remitted to City;

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

4.5.2.7 Sales to customers who are not Permittee Customers patrons of San Antonio International Airport and who present a valid driver’s license with an address in Bexar County, Texas or adjoining counties. A list of zip codes for Bexar County and adjoining counties is attached hereto as **Exhibit 2**;

4.5.2.8 Parking tickets, tolls, towing, impound fees, traffic infractions any such fees/cost recovered at cost, without any mark-up, by Permittee from its customers; and

4.5.2.9 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.

4.6 Any exclusions must be separately detailed when reported. The City may provide a reporting format and Permittee agrees to use the format when reporting Gross Revenue and exclusions.

4.7 Permittee shall provide to the Aviation Department a statement of monthly Gross Revenue, in a report format determined by the City (which format may be changed by City upon thirty (30) days prior written notice), together with appropriate payment, on or before the fifteenth (15th) day of the month following the month in which the Gross Revenue was generated. Payments shall be mailed or hand carried to:

Aviation Department c/o Accounts Receivable
457 Sandau Road
San Antonio, Texas 78216

4.8 Without waiving any other right of action available to the City in the event of default in payment of the fees and charges payable hereunder, in the event that Concessionaire is delinquent for a period of fifteen (15) days or more in paying to the City any fees payable to the City pursuant to this Agreement, the Permittee shall 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. Such interest shall not accrue with respect to disputed items being contested in good faith by Permittee.

4.9 Within 120 calendar days of the end of each contract year, Permittee shall furnish a written annual report to the City, in a report format determined by the City (which format may be changed by City upon thirty (30) days prior written notice), for the preceding year with enough detail so that the City may adequately review the statement and determine whether Permittee properly reported Gross Revenues during such preceding year. Such annual report shall be accompanied by a written statement signed by an authorized representative of Permittee or independent CPA certifying that in his/her opinion the payments paid by Permittee to the City during the preceding year were accurate and made in accordance with the applicable terms of this Permit. Such statement shall also contain a list of the Gross Revenue as shown on the books and records of Permittee which were used to compute the payments made to City during the period covered by the statement.

4.10 The Permittee shall maintain, in Bexar County, Texas, books and records reflecting its operations hereunder in accordance with generally accepted accounting principles, and as may be specifically prescribed by the City. Such books and records together with any other documentation necessary for verification of Permittee's compliance with the terms of this Permit, shall be made available to the City upon request for inspection and audit.

- 4.11 If, as a result of such audit, it is established that Permittee has understated Gross Revenue by three (3%) percent or more (after the deductions and exclusions provided for herein) of the amount paid to the City during the previous annual reporting period under this Permit, all reasonable expenses of said audit shall be borne by the Permittee. Any additional percentage fees due, shall forthwith be paid by the Permittee to the City with interest thereon at eighteen percent (18%) per annum from the date such additional percentage fee became due.
- 4.12 If Permittee shall knowingly furnish any false statement of the amount of its Gross Revenue, this shall constitute a default on its part entitling City, at its option, to declare this Permit terminated. Any such report which shall understate the Gross Revenue for the reported period by as much as ten percent (10%) of the true amount thereof shall be conclusively deemed to have been knowingly and falsely furnished by Permittee.

V. TERM

The term of this Permit shall begin on _____ and terminate at midnight on September 30th of the following year. This permit shall automatically renew on a year-to-year basis unless terminated by either party in accordance with the terms and conditions of this Agreement.

VI. COURTESY VEHICLE IDENTIFICATION

- 6.1 This Permit shall authorize the Permittee to pick up and drop off customers at the Airport in a designated Courtesy Vehicle that is clearly marked so as to identify such vehicles as being those of Permittee by prominently displaying (e.g., by use of permanent or magnetized signs) Permittee's company name or logo on the side of the Courtesy Vehicle while the vehicle is on Airport property. Additionally, all Motor Vehicles used to pick up and drop off Permittee's customers the airport must have either a City issued Automatic Vehicle Identification (AVI) tag or a parking access card, as determined by the City.
- 6.2 Permittee shall not use any vehicle(s) for provision of Airport pick-up and drop-off service without a current Airport-issued permit decal. Vehicles shall not be operated with an expired, forged, altered, defaced, or counterfeit Airport-issued permit decal nor shall permit decal be transferred from one vehicle to another. Permittee's operation of a vehicle with an expired, forged, altered, defaced or counterfeit permit will be an event of default under this agreement and may be grounds for termination.

VII. CUSTOMER FACILITY CHARGES (CFC)

- 7.1 **Collection Requirement.** Permittee shall collect a daily CFC on all Transactions with Permittee Customers. The CFC rate shall at all times be equal to the CFC rate set by the Aviation Director and charged and collected by those rental car companies operating at

the Airport pursuant to a concession agreement with the City. The CFC shall be separately identified on the Permittee Customer's rental contract, and shall be described as the "Customer Facility Charge" or "CFC." Each Permittee must collect the CFC for each Transaction, and must remit the full amount of the CFC to the Trustee regardless of whether the full amount of such CFC is actually collected by the Permittee from the Permittee Customer. Prior to the effective date of the Permit, City shall provide Permittee with the name and remittance information of Trustee. In the event the City elects to cease operation of the CONRAC, the use of CFCs shall also cease upon expiration or termination of the Permit.

- 7.2 Amount and Determination of the Customer Facility Charge. The Director shall have the sole authority to determine adjustments to the amount of the CFC. In setting the level of the CFC, the City will take reasonable actions to minimize significant year-over-year increases or decreases in the level of the CFC.
- 7.3 CFC Proceeds Held in Trust. Permittee agrees that the CFC is not income, revenue or any other asset of Permittee, that Permittee has no ownership or property interest in such CFCs, and that Permittee hereby waives any claim to an equitable or ownership interest in the CFCs. Permittee agrees that it holds such CFCs in trust for the benefit of the City, and that the City (or the Trustee) has complete possessory and ownership rights to such CFCs. Consistent with the nature of the CFC, as funds held in trust for the City, Permittee shall separately account on its books and records for the CFC proceeds it collects. Notwithstanding the foregoing, in the event that either: (i) it is determined that the Permittee must, as a matter of law, establish a separate account into which all CFC proceeds must be deposited, or (ii) it is determined, by a court of competent jurisdiction that the failure to maintain the CFC in a separate account imperils the trust nature of the relationship created by this **Section 8.2** and potentially subjects any CFC amounts held by Permittee to the claim (or potential claim) by Permittee's creditors, whether in bankruptcy or otherwise, then in that event, the City shall have the right to require Permittee to establish a separate account into which all CFC proceeds collected shall be deposited, and all interest (if any) on the CFC proceeds held by Permittee shall inure to the benefit of, and be payable to, the City.

Permittee acknowledges the CFCs collected and held by Permittee are property in which the Permittee only holds a possessory interest and not an equitable interest. Permittee hereby consents to assignment by the City of the CFCs collected by Permittee to the Trustee.

- 7.4 Permittee to Promptly Remit CFC Proceeds. Permittee shall remit the CFC proceeds held by the Permittee to the Trustee on a monthly basis on or before the fifteenth (15th) day of each month following the month in which the CFCs were collected. The Permittee shall remit the CFCs by check or by electronic funds transfer or other means specifically approved by the City in writing. When remitting such CFC proceeds to the Trustee, the Permittee shall report and reconcile the CFC proceeds remitted on a form submitted to the City, and shall submit such additional information as may reasonably be necessary for the City to determine any matter related to the CFCs. A copy of the current report form

required by the City is attached hereto as **Exhibit 3**. Permittee agrees that the City may revise the report form from time to time and that such revised form will be used once finalized. Further, the City reserves the right to change the reporting procedure to require use of an on-line electronic reporting system.

During the term of this Permit, the City may change the designated Trustee and associated remittance information by providing Permittee with thirty (30) days prior written notice of such change.

- 7.5 Records; Audits. Permittee shall maintain records and controls which are sufficient to demonstrate the accuracy of the CFC proceeds collected by the Permittee and the amount of CFC proceeds paid to the Trustee. Such records shall be maintained in accordance with, and subject to inspection and audit as set out in this Permit.
- 7.6 The Director shall regularly, and not less than annually, establish the level of the CFC and provide Permittees not less than thirty (30) days advance written notice of any change in the anticipated CFC rate. Notwithstanding the foregoing, the Director shall have the right to make unscheduled adjustments to the level of the CFC in the event there has been a material change in any of the assumptions utilized in the City's calculation of the CFC.
- 7.7 Review of CFC Report. At least 45 days prior to the end of each Bond Year, the City will finalize a budget for forecasted CFC collections
- 7.8 No Abatement or Offset. Under no circumstance, and notwithstanding any contrary language in this Permit, will Permittee's obligation to collect and remit the CFC to the Trustee be subject to abatement, offset, or deduction. The Permittee's obligation to collect and remit the CFCs to the Trustee shall be absolute and unconditional.
- 7.9 No Diversion. Permittee shall not, directly or indirectly, divert Permittee Customers away from the CONRAC or assist any Permittee Customer in avoiding payment of the CFC.

VIII. TELEPHONE

A Permittee desiring a courtesy telephone on Airport property may contact City's Airport Advertising Concessionaire to contract for the use of such telephone.

IX. INDEMNIFICATION

- 9.1 **PERMITTEE covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS the City and the elected officials, employees, officers, directors, volunteers and representatives of the City, individually and 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 PERMITTEE'S activities under this Permit, including any acts or omissions of PERMITTEE, any agent, officer, director, representative, employee, consultant or subcontractor of PERMITTEE, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this Permit. The indemnity provide 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 PERMITTEE 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.**

- 9.2 The provisions 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. Permittee shall advise the City in writing within 24 hours of any claim or demand against the City or Permittee known to Permittee related to or arising out of Permittee's activities under this Agreement and shall see to the investigation and defense of such claim or demand at Permittee's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Permittee of any of its obligations under this paragraph.

X. INSURANCE

- 10.1 Prior to the commencement of any operations under this Permit, Permittee shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the City's Aviation Department, which shall be clearly labeled "Permittee Name - San Antonio International Off-Airport Rental Car Permit" in the Description of Operations block of the Certificate. The original 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 Memorandum of Insurance or Binders as proof of insurance. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title 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 to pay or perform under this Permit 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 the authority to waive this requirement.

- 10.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Permit and any extension or renewal thereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decision, or circumstances surrounding the Permit. In no instance will City allow modification whereupon City may incur increased risk.
- 10.3 A Permittee's financial integrity is of interest to City; therefore, subject to Permittee's right to maintain reasonable deductibles in such amounts as are approved by the City, Permittee shall obtain and maintain in full force and effect for the duration of this Permit, and any extension hereof, at Permittee's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

| <u>TYPE</u> | <u>AMOUNTS</u> |
|---|--|
| 1. Broad Form Commercial General Liability Insurance to include coverage for the following: <ul style="list-style-type: none"> a. Premises operations *b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability | For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage |
| 2. Business Automobile Liability <ul style="list-style-type: none"> a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles | <u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence |

- 10.4 The City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties thereto or the underwriter of such policies). Permittee shall be required to comply with such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Permittee shall pay and costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of San Antonio
 Attn: Aviation Department
 9800 Airport Boulevard
 San Antonio, Texas 78216

- 10.5 Permittee agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:
- 10.5.1 Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured 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;
 - 10.5.2 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;
 - 10.5.3 Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewals or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment or premium.
- 10.6 Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Permittee shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Permittee'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 Permit.
- 10.7 In addition to any other remedies City may have upon Permittee's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, City shall have the right to order Permittee to stop work hereunder, and/or withhold any payment(s) which become due, to Permittee hereunder until Permittee demonstrates compliance with the requirements hereof.
- 10.8 Nothing herein contained shall be construed as limiting in any way the extent to which Permittee may be held responsible for payments of damages to persons or property resulting from Permittee's or its subcontractors' performance of the work covered under this Permit.
- 10.9 It is agreed that Permittee'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 Permit.
- 10.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Permit.
- 10.11 Permittee and any Subcontractors are responsible for all damages to their own equipment and/or property.

XI. PERFORMANCE GUARANTEE

Permittee will deliver and keep in force throughout the term of this Permit either an irrevocable letter of credit in the amount of \$_____ in favor of City drawn upon a bank satisfactory to City or a surety bond in said amount payable to City. The foregoing shall be in form and content satisfactory to City, shall be conditioned on satisfactory performance of all terms, conditions and covenants contained herein during the term hereof and shall stand as security for payment by Permittee of all valid claims by City hereunder. If a bond shall be delivered, it shall be issued by a sound indemnity company authorized to do business in Texas. The performance guarantee shall be increased after the first Permit year to an amount equal to not less than fifty percent (50%) of the total payments payable to the City for the preceding Permit year.

XII. SUSPENSION AND/OR TERMINATION OF PERMIT

12.1 Suspension of Permit.

12.1.1 The Director may suspend this Permit upon the failure of Permittee to continuously satisfy, during the term hereof, any or all of the terms and conditions set forth herein; provided, however, that suspension may be imposed only after ten (10) days written notice to Permittee. A Permittee who receives notice of suspension shall cease all operations upon the Airport as of the date set forth in such notice of suspension.

12.1.2 Notwithstanding the foregoing, a Permittee whose Permit is or may become subject to suspension may demonstrate to the Director, at any time prior to suspension or after suspension has been imposed, that Permittee has remedied its failure to satisfy the terms and conditions set forth in this Permit or that it is making a good faith effort to do so. If the Permittee whose Permit is subject to suspension demonstrates that it has remedied its failure to satisfy the terms and conditions herein set forth, the Director shall remove the suspension of such Permit, if suspension has been imposed, or shall abandon its procedure to suspend the Permit if suspension has not yet been imposed.

12.2 Revocation of Permit

12.2.1 Default with Opportunity to Cure. Should Permittee fail, as determined solely by the Director, to comply with any or all of the terms and conditions herein set forth, such failure shall be considered an event of default. In such event, the City shall deliver written notice of said default, in accordance with the notice provisions contained in this Permit, specifying the specific events of default and the action necessary to cure such defaults. Permittee shall have fifteen (15) calendar days after receipt of the written notice to cure such default. If Permittee fails to cure the default within such cure period, or take steps reasonably calculated to cure such default, City shall have the right, without further notice, to revoke this Permit in whole or in part as City deems appropriate.

- 12.2.2 Termination For Cause. Upon the occurrence of one (1) or more of the following events, and following written notice to Permittee given in accordance with the notice provisions contained in this Permit, City may immediately revoke this Permit, in whole or in part, “for cause”:
- 12.2.2.1 Permittee makes, directly or indirectly through its employees or representatives, any material misrepresentation or provides any materially misleading information to City in connection with this Permit or its performance hereunder; or
 - 12.2.2.2 Permittee violates or materially fails to perform any obligation, term or condition of a material nature contained in this Permit, except those events of default for which an opportunity to cure is provided herein; or
 - 12.2.2.3 Permittee fails to cure, or initiate steps reasonably calculated to cure a default within the time period required for cure; or
 - 12.2.2.4 Permittee violates any rule, regulation or law to which Permittee is bound or shall be bound under the terms of this Permit; or
 - 12.2.2.5 Permittee attempts the sale, transfer, pledge, conveyance or assignment of this Permit contrary to the terms of the Permit; or
 - 12.2.2.6 Permittee ceases to do business as a going concern; makes an assignment for the benefit of creditors; admits in writing its inability to pay debts as they become due; files a petition in bankruptcy or has an involuntary bankruptcy petition filed against it (except in connection with a reorganization under which the business of such party is continued and performance of all its obligations under this Permit shall continue) and such petition is not dismissed within forty-five (45) days of filing; or if a receiver, trustee or liquidator is appointed for it or any substantial part of Permittee’s assets or properties.
- 12.2.3 If Permit is revoked by City in accordance with the terms of this Permit, all sums then owing to the City by Permittee shall immediately become due and payable upon revocation.
- 12.3 Notwithstanding the notice provisions herein contained, the Director may revoke this Permit without notice to Permittee if at any time while this Permit shall be suspended courtesy or other vehicles operated by or under agreement with Permittee shall operate upon the Airport.
- 12.4 Permittee may terminate Permit upon giving thirty (30) days written notice to the City of its intent to terminate its operations at San Antonio International Airport.

- 12.5 Permittee operating at San Antonio International Airport without a valid Permit, Permittee shall be subject to any fines and penalties authorized pursuant to any present or future City Ordinances.
- 12.6 This Permit shall automatically terminate if Permittee enters into a Consolidated Rental Car Facility Lease Agreement and a Rental Car Concession Agreement for rental car services with City. If Permittee enters into such lease and concession agreements before the date of CONRAC DBO, this Permit shall terminate on the first day of the month following the date of DBO. If Permittee enters in to such lease and concession agreement after the date of CONRAC DBO, this Permit shall terminate on the effective date of those agreements.

XIII. GENERAL PROVISIONS

- 13.1 This Permit does not grant the right to use any space leased for the exclusive use of another nor the right to use areas reserved for administrative, parking, or storage on or about the Airport or any other space in which access to the general public is denied, unless specific authorization is obtained from the Director.
- 13.2 The Permittee, by accepting this Permit, expressly agrees for itself, its successors and assigns that it will not in any way interfere with the normal operation of the Airport or constitute a hazard of any kind. In the event this covenant is breached, the City reserves the right to abate said practice of interference at the expenses of Permittee.
- 13.3 Permittee, its officers, agents, servants, employees, contractors and any other person whom the Permittee controls or has the right to control shall comply with all present and future laws, ordinances, orders, directives, rules and regulations of the United States of America, the State of Texas, the City of San Antonio and their respective agencies, departments, authorities or commissions which may either directly or indirectly affect the Permittee or its operations on or in connection with the premises of the Airport. Permittee shall pay, on or before their respective due dates, to the appropriate collecting authority, all Federal, State and Local taxes and fees, which are now or may hereafter be levied upon Permittee, its operations hereunder or its property used in connection therewith and shall maintain in force all Federal, State and Local licenses and permits required for the operation of the business conducted by Permittee. Further, Permittee shall indemnify, defend and hold harmless City, its officers and employees from any charges, fines or penalties that may be assessed or levied by any Department or Agency of the United States of America or of the State of Texas by reason of Permittee's failure to comply with any applicable safety or security provision in relation to Permittee's operation at the Airport.
- 13.4 Permittee shall not assign this Permit to any other, or transfer any rights hereunder without the consent of the Director in writing, except to a corporation with which the Permittee may merge or consolidate or which may succeed to its business or assets.

- 13.5 It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right.
- 13.6 The invalidity of any provision of this Permit shall not affect the other provisions of this Permit and any court shall construe the remainder to achieve the intent of the parties as they are manifested hereby. This Permit is governed by the laws of the State of Texas. Venue for all purposes is agreed and established to be in San Antonio, Bexar County, Texas.
- 13.7 If City finds it necessary to institute suit to enforce any obligations of Permittee hereunder, City shall be entitled to reasonable attorney's fees. Reasonable attorney's fees shall be deemed not less than 10 percent (10%) of any amount recovered in such action.
- 13.8 Notices to City required or appropriate under this Permit shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, addressed to:

Director of Aviation
 San Antonio International Airport
 9800 Airport Blvd.
 San Antonio, Texas 78216

and
 City Clerk
 City of San Antonio
 P.O. Box 839966
 San Antonio, Texas 78283-3966

or to such other address as may have been designated in writing by the Director from time to time. Notice to Permittee shall be deemed sufficient if in writing and mailed by certified mail, return receipt request with proper postage prepaid, or three (3) days after mailing the same by first class U.S. mail, postage prepaid (in accordance with the "Mailbox Rule"), or when sent by a national commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier to Permittee at the address shown below:

Attn: _____

13.9 Non-Discrimination

13.9.1 Permittee, its sublessees, agents or employees shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability in employment practices or in the use of Airport premises is prohibited, unless exempted by state or federal law. Permittee shall adhere to City's Non-Discrimination Policy in the solicitation, selection, hiring or commercial treatment of sub-consultants, vendors, suppliers or commercial customers. Permittee shall not retaliate against any person for reporting instances of such discrimination. Permittee shall provide equal opportunity for sub-consultants, vendors and suppliers to participate in all of its public sector and private sector sub-consulting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination which have occurred or are occurring in City's Relevant Marketplace. The Permittee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree:

13.9.1.1 that no person, on the grounds of race, color, creed, national origin, political ideas, gender, age, or physical or mental handicap, shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the Permittee's use of the Airport.

13.9.1.2 that in the business of renting Motor Vehicles to others no person on the grounds of race, color, national origin, creed, political ideas, gender, age or physical or mental handicaps, shall be excluded from participation in denied the benefits of, or otherwise be subjected to discrimination;

13.9.1.3 that, should the City provide handicapped accessible ingress and egress in specific locations, Permittee shall not block or close or otherwise cause the access way to be nonfunctional without providing an alternative means of access approved in writing by the Director.

13.9.1.4 Permittee shall use the Airport in compliance with all other requirements imposed by or pursuant to Title 49, code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

13.9.2 The Permittee shall furnish rent Motor Vehicles to others on a fair, equal and nondiscriminatory basis to all qualified users thereof, and it shall charge fair, reasonable, and nondiscriminatory prices; however, the Permittee may be allowed to make reasonable discounts or other similar type of price reductions to purchasers on a non-discriminatory basis.

- 13.9.3 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 Permit.
- 13.9.4 Nondiscrimination Policy. As a party to this Lease Agreement, Permittee 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.
- 13.10 Permittee must pay when due any and all parking tickets, traffic violations, or any outstanding amounts due to the City, in connection with this Permit or in connection with any other business owned by Permittee.
- 13.11 Permittee agrees that its officers, agents and employees will not conduct business operations, under this Permit, so as to circumvent the requirements of this Permit or to avoid fees otherwise payable to the City for the privilege of using, operating and doing commercial business on the Airport.
- 13.12 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 ventures, or any other similar such relationship, between the parties hereto.
- 13.13 It is understood and agreed that neither the method of computation of payment hereunder, nor any other provision contained herein, nor any acts of the parties hereto creates a relationship other than the relationship of Permittee and Permitter.
- 13.14 Permittee, at no charge to City, agrees to provide records and/or information requested by a third party pursuant to the Public Information Act, or other applicable law, to City so long as such records and/or information are not exempted from disclosure under the Public Information Act or other applicable law.

XIV. ENTIRE AGREEMENT

The terms of this Permit constitute the entire understanding between the parties hereto and no statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid. This Permit may only be amended or modified by mutual consent of the parties hereto in writing signed by both parties.

ACCEPTED AND AGREED BY THE PARTIES AS OF THE DATES INDICATED BELOW.

PERMITTEE:

CITY OF SAN ANTONIO

(Signature)

Frank R. Miller, Aviation Director

Printed or typed name

Date: _____

Title

APPROVED:

Date: _____

Assistant City Attorney

Mailing Address:

PERMIT GRANTED ON _____, 20__.

Exhibit 1
Revised Definition of Gross Revenue

“Gross Revenues” means all monies or other consideration paid or payable to the Permittee derived from, arising out of, or payable on account of the business conducted by the Permittee or from the operations of Permittee pursuant to this Permit, 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 Airport, 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 Permittee’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 Permittee 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 Permittee 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 Permittee must pay to City for the privilege of operating at the Airport. Initially, should such a fee be instituted by Permittee, 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 “Permit Recovery Fee” or “Permit Recoupment Fee.” If the percent fee is changed by City during the term, Permittee 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 Permittee 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 Permittee'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 Permittee's customer;

(j) All sums received for additional driver charges;

(k) All sums received as prepayment for fuel provided by Permittee (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 Permittee 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 Permittee's costs, including franchise and other taxes or surcharges levied on Permittee'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.

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 Permittee to employees of the Permittee;
- (c) Amounts received by reason of Permittee’s disposal of fleet, capital assets and/or trade fixtures;
- (d) Receipts from the sales at cost of uniform or clothing to the Permittee’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 Permittee or to property of Permittee, or for loss, conversion or abandonment of such Motor Vehicles, or for replacement of keys;
- (g) Sales to customers who are not Permittee Customers;
- (h) Sums received by Permittee for parking tickets, tolls, towing, impound fees, traffic infractions, and any other such fees and the administration thereof.

Exhibit 2
Zip Code List

EXHIBIT 1

ZIP CODES FOR BEXAR COUNTY AND ADJACENT COUNTIES

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

Exhibit 3
CFC Report Form



City of San Antonio Aviation Department
Monthly Customer Facility Charge Report

Permitee

Monthly Reporting Period

Monthly Transactions

Monthly Transaction Days @

\$ 5.00

Monthly CFC Remittance

\$ -

| | |
|-----------------------|---------------------|
| | |
| Prepared by: | Date |
| | |
| E-Mail Address | Phone Number |
| | |

Rev. May 22, 2015