

LICENSE AGREEMENT
PASEO DEL RIO ASSOCIATION
(San Antonio River Festivals and Special Events)

AMENDMENT NO. TWO (2)

The City of San Antonio ("CITY") and Paseo del Rio Association, Inc. ("LICENSEE") entered into the San Antonio River Festivals and Special Events License Agreement pursuant to Ordinance No. 2009-03-05-0167 with an effective date of April 1, 2009 ("CONTRACT"). The Parties to the CONTRACT ("Parties") amended the CONTRACT on April 20, 2010 to provide for the expansion of the Premises and a change to the timetable for presenting new Class A events ("First Amendment").

The Parties now desire to amend the CONTRACT again ("Second Amendment"). Such amendments include changes to the provisions of the CONTRACT and First Amendment, as well as additional new provisions as noted.

1. Section 1.1 is hereby amended as follows:

1.1 CITY, for and in consideration of the agreements herein contained, does hereby grant to LICENSEE the non-exclusive right to use, for the events hereinafter mentioned and for future events scheduled in accordance with the provisions of Paragraph 1.4 and 1.6 hereinafter, for no less than twenty-one (21) events per year ("Events"), public property in the downtown River Walk area as described in Amendment One. Excluding the use of public properties in aforesaid area which are covered by River Walk Lease Agreements or San Antonio River Barge Concession Agreement as authorized and approved by City Council and excluding use of the Convention Center turn-around basin and the Arneson River Theater and its associated concession stand. The use of the Arneson River Theater and its associated concession stand may be arranged and fees paid by LICENSEE for events authorized herein, except for five (5) events per year, which shall require coordination but no fees. However, arrangements for such use will be pursuant to CITY policy covering short-term licensing for use of La Villita, the Cos House, and the Arneson River Theater. The use of the Convention Center turn-around basin may be arranged by LICENSEE through

coordination with City's Director of Convention Sports & Entertainment Facilities Department.

2. Section 1.3 is hereby amended as follows:

1.3 LICENSEE acknowledges that CITY has contracted with a river barge concessionaire ("Concessionaire") for the operations of dinner, taxi and tour barges on the river. The conduct of some of the Events authorized herein involve use of river barges on the river. To avoid conflicts with operations of Concessionaire, LICENSEE shall provide to Concessionaire and City annually by April 1st a list of such Events. LICENSEE shall use its best efforts to communicate with Concessionaire and Director so as to avoid any conflicts in this dual use of the river.

LICENSEE shall primarily utilize barges owned by the LICENSEE but may also rent from Concessionaire additional barges as available or from the CITY with approval from the Director.

Barges utilized by LICENSEE shall only be operated by LICENSEE employees and/or assigned representatives who have been trained and approved by LICENSEE, which training shall be equal to that training provided by Concessionaire, including but not limited to the following: 8 hours safety instruction, 40 hours barge operation time accompanied by an experienced driver, and no less than twice annual safety refresher classes of four (4) hours total. LICENSEE shall coordinate access to river with Concessionaire for access to the river at non-peak times such that training does not unreasonably interfere with Concessionaire's operations. LICENSEE agrees to only use barges that are licensed by the State of Texas.

3. Section 1.3.1 and 1.3.2 are consolidated and amended as follows:

1.3.1 .

CITY may make available to LICENSEE the International Center marina for the storage of up to thirteen (13) of LICENSEE'S barges and access for use by LICENSEE; however, CITY reserves a superior right to displace LICENSEE from this location after ninety (90) days written notice. In the event CITY displaces LICENSEE from use of International Center marina, CITY and

LICENSEE shall renegotiate this Agreement if such displacement materially interferes with LICENSEE'S ability to perform its obligations hereunder. CITY may also make space available to LICENSEE in its Nueva Street marina for up to twenty-one (21) barges at least seven (7) calendar days in advance of major Events of LICENSEE, provided LICENSEE supplies written request for same no less than thirty (30) calendar days prior to need date and no more than sixty (60) calendar days prior to need date and receives written approval from CITY.

4. Section 1.3.3 is hereby amended as follows:

1.3.2 LICENSEE agrees that at no time during this agreement shall it provide river tour or shuttle services to the general public in direct conflict with the CITY'S Concessionaire. With no less than three (3) calendar days prior written approval from the Director, LICENSEE may, allow employees, volunteers, sponsors, VIPs, elected officials, guests and board members on LICENSEE's barges in connection with events authorized hereunder or sponsorship opportunities/development. LICENSEE may not charge a fee or include a reimbursement charge (excluding sponsorships) to another party for the provision of this service, the annual Taste of the Riverwalk event excepted.

5. A new Section 1.3.3 shall be added as follows:

1.3.3. LICENSEE may acquire or convert barges to alternative fuels, including but not limited to, CNG. In the event of conversion to CNG-fueled barges, CITY shall provide CNG fueling for such barges at its existing facilities and at charges for such fueling as CITY sees fit.

6. Section 1.4 is hereby amended as follows:

1.4 Events authorized hereunder shall include the following events, plus up to five (5) additional events per year coordinated with the Director. This list may annually be amended, modified, or deleted and substituted upon approval of the Director:

1. Holiday River Parade and Tree Lighting;
2. Mardi Gras Festival and Parade;
3. St. Patrick's Day Festival and Parade;
4. Taste of the Riverwalk and Houston Street;

5. America's Armed Forces River Parade;
6. A minimum of five (5) Arts and Crafts Festivals;
7. Mariachi Festival;
8. Canoe Challenge;
9. Lucky Duck Race;
10. Coffins on Parade;
11. Holiday Barge Caroling; and
12. Luminaria Festival.

7. Section 1.5 is hereby amended as follows:

1.5 LICENSEE shall deliver to CITY, in writing, a list of each calendar year's events no later than April 1. LICENSEE'S list shall include a description of each event, proposed dates and hours, and event location. CITY agrees to respond with confirmation of event dates and times within twenty-one (21) calendar days of receipt thereof. It is further understood that CITY may require date changes if circumstances dictate such changes, in which event CITY shall notify LICENSEE of the date changes and reasons necessitating the rescheduling no later than thirty (30) calendar days in advance of the requested date(s).

8. Section 2.1 is hereby amended as follows:

2.1 The term of this License Agreement is for a five (5) year period beginning on April 1, 2014 and ending on March 31, 2019. So long as LICENSEE is not in default, LICENSEE may submit written request no later than 180 calendar days prior to March 31, 2019 to request renewal of the term of this LICENSE AGREEMENT, and the LICENSE AGREEMENT may be renewed and extended for a period of up to five (5) additional years, subject to approval of the Director and approval of the City Council as evidenced by passage of a subsequent ordinance. Though no renewal is effective unless approved by City Council, Director has no duty to present proposed renewal to City Council, even though LICENSEE has submitted requisite notice.

9. Section 3.3 is hereby amended as follows:

3.3 Execution of this AGREEMENT by the LICENSEE shall be evidence of the LICENSEE'S compliance with Section 22-143 of the City Code of the City of San

Antonio for those events identified in Paragraph 1.4, or authorized in Paragraph 1.6 requiring access to the San Antonio River. The CITY will grant access to the San Antonio River by the LICENSEE, within the limitations and requirements of the CITY'S Downtown San Antonio River Barge Concession Agreement. In the course of conducting events, LICENSEE may sublicense booth space on the Premises for the purposes of food, beverage and merchandise sales, operate its own food, beverage and merchandise sales booths, provide live entertainment, conduct river parades, and, with the prior written approval of the Director or her designee, sell seats on the Premises for river parades organized and sponsored by LICENSEE. With the exception of the authorized sale of reserved seats for river parades, LICENSEE shall not charge an admission fee for any event conducted on the Premises pursuant to this License, the annual approved Taste of the Riverwalk event excepted.

10. Section 5 is hereby amended as follows:

5. MERCHANDISING

5.1 LICENSEE is authorized to design, develop, produce, and merchandise unique logos, artwork, products, merchandise, clothing, and other products (collectively "Merchandise") reflecting the Riverwalk and its unique historic image for sale to the general public. The Riverwalk logo to be incorporated or depicted in Merchandise shall be approved by the Director. In consideration of this license by CITY, LICENSEE shall deposit a to be negotiated percentage of gross sales proceeds produced from the sale of such Merchandise into a permanently restricted account of LICENSEE provided, however, minimum negotiated percentage of gross sales proceeds shall not be less than the following schedule:

Year 1: 10%

Year 2: 10%

Year 3-5: to be negotiated with approval by the Director

Such Merchandise Account shall solely be used for improvements to the Riverwalk approved by Director in consultation with the LICENSEE and minimum balance shall be no less than \$25,000.00. Both CITY and LICENSEE

may recommend projects to be funded by the Merchandise Account including, but not limited to, historic interpretation, beautification, water quality, and fauna/flora improvements and/or education; however, Director's approval shall be required before LICENSEE initiates expenditure from Merchandise Account.

5.2 LICENSEE may subcontract with qualified third parties for manufacture, design, and sale of Merchandise. LICENSEE may sell such Merchandise in public areas on the Riverwalk at locations approved in writing by the Director.

5.3 LICENSEE shall provide CITY no less than one and one-half (1 1/2) full color pages in each issue of LICENSEE's monthly magazine (Rio), and LICENSEE shall provide highest available membership status and all accompanying benefits to no less than three (3) CITY venues (ie, La Villita, Market Square, Spanish Governor's Palace) each year of agreement.

11. Section 6 is hereby amended as follows:

6.1 LICENSEE shall submit to the CITY an annual report identifying each event, dates & hours of event, event location, number of security personnel hired for event, number & type of food booths, number & type of beverage booths, number of merchandise booths, description of live entertainment, number of boats, number of portable toilet facilities, tickets sold, and media outreach. Media outreach shall be defined as verifiable impressions, to include television households reached, gross impressions for radio spots, Face Book impressions, outdoor advertising reach, print circulation, website users, and/or email marketing lists. Said report shall be due within ninety (90) calendar days of LICENSEE's fiscal year (ending March 31)..

6.2 The following sentence should be added: "Such statement shall include an independent auditor's written report stating whether the Gross Sales of Merchandise and the amounts deposited into the Merchandise Account during the preceding year were made in accordance with the applicable terms of the agreement and were accurately stated as provided under Section 5 and delivered to CITY within ninety (90) days after end of fiscal year) of LICENSEE. (ending March 31)."

12. Section 7.1 is hereby amended as follows:

7.1 Not later than twenty-one (21) calendar days prior to approved event dates, LICENSEE shall submit to the Director an event plan that includes, as applicable, the following information:

1. Proposed location of the Event
2. Number of proposed booths and/or stands, both sub-licensed and LICENSEE-operated, and the proposed location of each
3. Proposed number and location of space for arts and craft show
4. Event start and stop times and dates
5. General list of items and merchandise to be sold
6. Proposed location and size of any signs, posters and/or banners to be used
7. Types and locations of entertainment to be presented
8. Location and type of proposed electrical hookups, recycling containers, and trash containers
9. Portable toilets, if applicable
10. Security arrangements
11. Location(s) of free seating areas & reserved seats for parades, if applicable
12. Name & 24 hour contact # for LICENSEE'S on-premise event Representative
13. Plan to clean-up premises & remove all trash from Premises during & immediately after event
14. Statement confirming LICENSEE has coordinated Event logistics with river barge concessionaire and identifying river barge concessionaire representative by name

7.1.1 LICENSEE shall comply with CITY's Green Events Ordinance 2010-04-08-0303. Prior to submittal of Green Events Ordinance application to CITY, Licensee shall conduct preliminary consultation with CITY to address event recycling operations and logistics. LICENSEE may demonstrate compliance with Green Events Ordinance by providing manifest documentation from contracted recycling contractor or processor within 10 calendar days after Event. 13. Section 7.3 is hereby amended as follows:

7.3 LICENSEE shall use best efforts that the design and decor of all booths, stands, signs and banners are attractive and in good taste. LICENSEE shall further

insure that food, beverages and merchandise offered for sale are of good quality and that prices charged are comparable to prices charged in the private marketplace for similar food, beverages and merchandise.

14. Section 8 is hereby amended as follows:

8. RIVER PARADES AND TREE LIGHTING

8.1 LICENSEE will pay a third party and/or contribute to City funds to prepare lighting for the annual HOLIDAY RIVER PARADE AND TREE LIGHTING event, up to a collective, annual amount of \$25,000. The Merchandise Account established by Section 5 shall not be used for holiday lighting. CITY will install and remove lights.

15. Section 8.3 is hereby amended as follows:

8.3 During any River Event, LICENSEE agrees and guarantees that specific areas shall be made available to adjacent restaurants for sale to these restaurants for conversion from public free or reserved seating to paid restaurant dining areas. LICENSEE also agrees to provide public seating equivalent to three (3) contiguous blocks on both sides of the parade route. The balance of seating may be reserved and sold by LICENSEE. Any change to this seating requirement shall require the written approval of the Director.

16. Section 9.3 is hereby amended as follows:

9.3 LICENSEE shall provide, at its sole cost, portable toilet facilities in a number to reasonably accommodate the estimated public attendance for each event identified in Paragraph 1.4 and 1.6. The number of portable toilets will be based on historical attendance figures for the same event the year before, and mutually agreed upon by the LICENSEE and Director. For a new event, the estimated number of toilets will be based on similar size events held during the same month the previous year with similar attendance estimates. The number and location of portable toilet facilities shall be identified in event plan submittal. Installation, maintenance and removal of portable toilet facilities no later than 12:00 p.m. on the day after event conclusion shall be at LICENSEE'S sole expense.

17. Section 10.2 is hereby amended as follows:

10.2 LICENSEE agrees to submit for approval a security and crowd control plan for events with an anticipated attendance of 5,000 or more persons, to the Office of Park Police no later than thirty (30) days prior to the start of the event. The Park Police may amend or modify the submitted plan, at his discretion, and return an approved plan to the LICENSEE no later than ten calendar (10) days prior to the start of the event. In the event Park Police fails to return an approved plan to the LICENSEE no later than ten calendar (10) days prior to the start of the event, the plan originally submitted shall be deemed approved. LICENSEE agrees that the number of officers required, their positions, their supervision, and the duration of their assignment during any one such event shall be within the exclusive prerogative of Park Police. LICENSEE agrees to comply with the approved security and crowd control plan regarding the number of positions, supervision and duration of assignment. LICENSEE shall remit payment to CITY for all costs and fees associated with the implementation of the approved security plan within thirty (30) days receipt of invoice by CITY.

18. Section 11.6 is hereby amended as follows:

11.6 LICENSEE shall insure that alcoholic beverages, soft drinks and other beverages are not dispensed in glass containers.

19. Section 11.12.1 is hereby amended as follows:

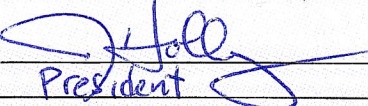
11.12.1 Except for the river waterway, LICENSEE will assume responsibility to ensure the return of Premises to the same condition of cleanliness prior to Events. CITY shall be responsible for cleaning river waterway following LICENSEE's events.

The CONTRACT, as amended by this Second Amendment, will continue in full force and effect and is hereby ratified by the LICENSEE and CITY. All defined and capitalized terms as set forth in the CONTRACT shall have the same meanings when used in this Second Amendment unless otherwise provided herein. Nothing in this Second Amendment modifies any of the provisions of the CONTRACT or First Amendment, except as expressly provided in this Second Amendment. This Second Amendment embodies the entire agreement and understanding between the LICENSEE and CITY as may be applicable with respect to the

specific matters set forth herein, and supersedes all prior agreements and understanding, written or oral, between the LICENSEE or CITY related to such matters.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed in multiple originals, each with full force and effect, on the dates set forth below, to be effective upon approval by the City Council of the City of San Antonio.

PASEO DEL RIO ASSOCIATION, INC.

By: 
Its: President

Date: 2-25-14

CITY OF SAN ANTONIO
A Texas Municipal Corporation

By: _____
Its: _____

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney